Kristin Southey
Senior Vice President
Investor Relations and Treasury
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,” “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 delivery of content, 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, September 1, 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 June 30, 2011, please refer to the tables attached to Company’s earnings release dated August 3, 2011, which is available on our website, www.activisionblizzard.com.
Become the world’s most profitable entertainment company driving superior shareholder returns with stellar execution against large and sustainable interactive franchises with an unyielding commitment to our audiences.
What You Will Hear Today

- We have sizeable market opportunities
  - We are the leader in large and growing global markets
  - Our fastest growing segments are the most profitable

- We are best positioned in online entertainment
  - Strongest online enabled pipeline
  - Expanding capabilities and reach as leading service provider
  - New innovative intellectual property in development
  - Most capable to deliver on emerging platforms and models
  - Most loyal audiences
  - Most focused on satisfying our audiences
  - Most talented workforce

Audience Commitment & Industry Leading Talent Drives Shareholder Returns
An Outstanding Track Record

Revenues & Operating Income

Every 4-5 years
- Double revenues
- Operating margin increases by 50%

Activision
Activision Blizzard
Operating Margin*

<table>
<thead>
<tr>
<th>Year</th>
<th>Activision Revenue</th>
<th>Activision Blizzard Revenue</th>
<th>Operating Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1993</td>
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<tr>
<td>2006</td>
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<td></td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>$4.8 Billion</td>
<td></td>
<td>29%</td>
</tr>
<tr>
<td>2009</td>
<td></td>
<td></td>
<td>24%</td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$600 Million
$1.4 Billion

*Fiscal year ended 3/31 except for CY08, CY09 and CY10 which ended 12/31.
CY08 represents non-GAAP comparable basis for the period ended 12/31/08. All financials are presented on a non-GAAP basis.
An Outstanding Track Record

Share Price Appreciation CAGR

14% 16%

6/01 to 6/11 6/06 to 6/11

1% 3% 1% 5%

ATVI S&P 500 NASDAQ

Focused on Shareholder Value Creation

Source: Yahoo Finance, not including dividends.
Leverage emerging platforms & models

Release innovative new Intellectual Property

Launch Biggest pipeline of online enabled properties & services

Activision Blizzard Growth Drivers
An Outstanding Track Record

Strong Digital Growth Driving Margin

Digital Revenue Growth*

$1.2B  $1.4B  $1.7B

TTM June-09  TTM June-10  TTM June-11

37% Growth

Focused Strategy + Rigorous Execution = Outstanding Results

*Non-GAAP, trailing twelve months ending 6/30/09, 6/30/10 and 6/30/11
## Tremendous Market Opportunity: Digital is Accretive to Our Margins

<table>
<thead>
<tr>
<th>Digital Service</th>
<th>Operating Margin*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro Transactions and Value-Added</td>
<td>80% +</td>
</tr>
<tr>
<td>Services</td>
<td></td>
</tr>
<tr>
<td>DLC (Downloadable Extra Content)</td>
<td>60% +</td>
</tr>
<tr>
<td>Full Game Digital Download</td>
<td>60% +</td>
</tr>
<tr>
<td>Subscription Services</td>
<td>55% +</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Retail Service</th>
<th>Operating Margin*</th>
</tr>
</thead>
<tbody>
<tr>
<td>PC Software</td>
<td>45% +</td>
</tr>
<tr>
<td>Console Software</td>
<td>20% +</td>
</tr>
</tbody>
</table>

*Source: Activision Blizzard Estimates (based on owned IP and internally developed)

New Models are More Profitable
Estimated Worldwide Digital Sales
Excluding Japan, $Billions

- Emerging Digital (Wireless and Advertising)
- Core Digital (Online)

2011:
- Emerging Digital: $15B
- Core Digital: $9B
- Total: $24B

2013:
- Emerging Digital: $20B
- Core Digital: $11B
- Total: $32B

2015:
- Emerging Digital: $26B
- Core Digital: $13B
- Total: $40B

Tremendous Market Opportunity: Digital Revenues Growing Rapidly

Note: Excludes Japan
Tremendous Market Opportunity:
More People, Playing More Games

Playing More and Paying More for the Most Engaging Games

Note: Millions, worldwide
Source: PMG, IDC, AB Analysis
Estimated Worldwide Video Game Sales
Excluding Japan, $Billions

- **2011**: $52B
  - Retail: $28B
  - Digital: $24B
- **2013**: $62B
  - Retail: $30B
  - Digital: $32B
- **2015**: $73B
  - Retail: $33B
  - Digital: $40B

**CAGR**
- Retail: 4%
- Digital: 13%
- Total: 9%

**Digital Growth is Driving a Large and Expanding Market Opportunity**

**Note:** Excludes Japan
**Source:** PWC Media and Entertainment Outlook, 12th Edition.
Activision Blizzard Leadership:
Growing Digital Service Platforms

30–40 Million Paying Online Users

20 Million+ MAU

15 Million+ MAU

Large, Vibrant Online Communities
## Activision Blizzard Leadership

### Paying Entertainment Service Users

<table>
<thead>
<tr>
<th>Service</th>
<th>Paying Users (Millions)</th>
<th>2010 Non-GAAP Operating Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB</td>
<td>30</td>
<td>29%</td>
</tr>
<tr>
<td>DirecTV</td>
<td>30</td>
<td>16%</td>
</tr>
<tr>
<td>Netflix</td>
<td>25</td>
<td>13%</td>
</tr>
<tr>
<td>SiriusXM</td>
<td>21</td>
<td>13%</td>
</tr>
<tr>
<td>Dish Network</td>
<td>14</td>
<td>15%</td>
</tr>
</tbody>
</table>

*More Paying Users; More Profitable*

Source: Factset, Company Reports
Our Mission

Become the world’s most profitable entertainment company driving superior shareholder returns with stellar execution against large and sustainable interactive franchises with an unyielding commitment to our audiences.
Activision Publishing Operating Margin

Operating Margin*

<table>
<thead>
<tr>
<th></th>
<th>TTM June-09</th>
<th>TTM June-10</th>
<th>TTM June-11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Margin</strong></td>
<td>12%</td>
<td>21%</td>
<td>23%</td>
</tr>
</tbody>
</table>

*Trailing twelve months ending 6/30/09, 6/30/10 and 6/30/11
Activision Growth Drivers

Launch biggest pipeline of proven properties
- Multiple digital revenue streams

Expand reach as a service provider
- Build large, vibrant communities

Develop innovative new intellectual properties
- With digital revenues streams

Leverage emerging models and platforms
- Micro-transactions, free to play, smartphones, tablets

Building Direct Relationships with Our Consumers
Franchise Strength

Source: NPD, GfK/ChartTrack, Company Data
## Grow the Core

<table>
<thead>
<tr>
<th>Year</th>
<th>HD Units Sold 9 Months</th>
<th>HD Install Base (Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>9M</td>
<td>38M</td>
</tr>
<tr>
<td>2009</td>
<td>19M</td>
<td>55M</td>
</tr>
<tr>
<td>2010</td>
<td>23M+</td>
<td>74M</td>
</tr>
<tr>
<td>2011</td>
<td>---</td>
<td>92M(e)</td>
</tr>
</tbody>
</table>

**Note:** Millions
Source: NPD, ChartTrack, GfK, company estimates
<table>
<thead>
<tr>
<th>Call of Duty</th>
<th>Map Packs</th>
<th>Price/Pack</th>
<th>HD Base</th>
<th>Average Spend Per User</th>
</tr>
</thead>
<tbody>
<tr>
<td>MW3</td>
<td>--</td>
<td>--</td>
<td>92M (e)</td>
<td>--</td>
</tr>
<tr>
<td>Black Ops</td>
<td>18M+</td>
<td>$15</td>
<td>74M</td>
<td>$76 (e)</td>
</tr>
<tr>
<td>Modern Warfare 2</td>
<td>11M</td>
<td>$15</td>
<td>55M</td>
<td>$74 (e)</td>
</tr>
<tr>
<td>World at War</td>
<td>9M</td>
<td>$10</td>
<td>38M</td>
<td>$68 (e)</td>
</tr>
</tbody>
</table>

Note: Millions, except ARPU
Source: NPD, Charttrak, GfK, company estimates
Higher Engagement
Than Top Facebook Games

Over 30 Million Unique Players

Over 2.3 Billion Hours Played
in Multiplayer Alone
Opportunity to Own Direct Relationship with 30 Million Call of Duty Online Consumers

PLAY TOGETHER BETTER
* not to scale

Sales & Stuff

Everything Else

Huge!

MW3
another way of looking at it...
(less than 7 million/day)
(less than 7 million/day)

(more)
(less than 54 minutes per day)
(less than 54 minutes per day)
ELITE is...

...a service
...the social platform for Call of Duty
...a blending of social, mobile, and console
...the best free service on the market
...a break-through premium service
Connect.

Improve.

Compete.
his KDR is 2.26
(mine is 0.87)
584 more hours played

(that’s 24 DAYS!)
dude.
seriously?
he has 124,542 kills
(I have 3,978)
he has 10,468 headshots

(that’s 6000 more headshots than I have kills)
on the other hand...
he’s died 55,165 times
(I’ve died 4,568 times)
CONNECT
**GROUPS**

Find the people you want to play Call of Duty with... or against. Groups will help you narrow the leaderboards down to people like you.

*What are Groups?*

---

**YOUR GROUP TAGS**

<table>
<thead>
<tr>
<th>GROUP TAGS USED</th>
<th>CREATE A GROUP TAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>20/20</td>
<td>!Clippers</td>
</tr>
</tbody>
</table>

- **#Los Angeles**
  - 26 members
- **#Karate Sleepover**
  - 23 members
- **#Lakers (Elite)**
  - 15 members
- **#Lumberjacks**
  - 13 members
- **#Ninjas**
  - 13 members
- **#Wizards (Elite)**
  - 13 members
- **#New York**
  - 11 members
- **#Friday**
  - 8 members
Crossbow

OVERVIEW

What appears to be a normal crossbow actually houses two arrows equipped with explosive tips. Use this weapon creatively, either firing the bolt straight into your target or planting it nearby an enemy position, forcing them to flee or get caught in the detonation. Just don’t let the enemy close in after you’ve landed a hit. The arrow takes a few moments to detonate, giving the player a chance to take you out in the blast.

STATS

<table>
<thead>
<tr>
<th>DAMAGE</th>
<th>RANGE</th>
<th>ACCURACY</th>
<th>MOBILITY</th>
<th>FIRE RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

YOUR PERFORMANCE

ACCURACY 44%

K/D RATIO 0.76

HEADSHOTS 0

CROSBOw MARSHMAN 1

Get 10 kills with the Crossbow

90%

0/10
PROGRAM GUIDE

Win Prizes and glory in official Call of Duty events and operations with players of all skill level

OK, so now what?

$1,000,000 Call of Duty Olympics 2012
Join a group with your nation and represent!
July 27, 2011 12:00

JUNE 2011

Events
Enter in sweepstakes, game with our developers, and win prizes.

SURPRISE PARTY!
June 29 – June 24
ENLIST NOW

STUCK ON YOU
June 29 – June 23
ENLIST NOW

DOUBLE XP TRIATHLON
July 9 12:00
ENLIST NOW

Lone Wolf Operations
Play your favorite game modes and win prizes.

KING OF THE HILL
June 23 – June 24
IN PROGRESS

TEST45
June 23 – June 24
IN PROGRESS

HEROIC SAVIOR
June 24 – June 26
IN PROGRESS
KING OF THE HILL
Highest Kills: Free for All

DESCRIPTION
Show the enemy who is boss as you compete in this all out free fall massacre! You will want to play at the top of your game in order to achieve the most kills. Enemies will be lurking around every corner, crate, and barrel, just pray you have your hardened perk equipped!

How do I play?
Enlist in the operation, then go into a public match and play. While you might not play directly against other enlisted players, your total score for the in-game statistics (Most Kills, Most Bomb Plants, etc.) within a stated period of time determines which players are winners. When the Operation ends, a leaderboard displays everyone’s placement.

WINNERS’ PODIUM
Champion Badge: 
King of the Hill
Highest Kills: Free for All

June 23, 2011
12:00 AM (PDT)
Elite: Digital Expansion Opportunity

Call of Duty
Active Multi-Player Participants: 30M+ Unique Users

- Non-DLC Purchasers
- Single DLC Purchasers
- Multiple DLC Purchasers

Major opportunity: Over 25% indicate Strong Interest in Elite*

A chance for active members to “upgrade” to Elite

Our most engaged consumers with millions of hours of dedicated play

* ATVI market research

Expected to Deliver Greater Value Via a Subscription Based Model
Asia: Digital Expansion Opportunity

Microtransaction/ FTP Market
- Asia market is large and growing rapidly
- Significant China growth opportunity for FPS
  - Crossfire game very successful
- MTX for core gamers in Asia is proven model

Activision’s Platform for Success
- Ability to tap Blizzard presence/experience in region
- Call of Duty has a very high level of awareness in Asia
- Large team working on the game for over a year
- Benefit from Blizzard MMO experience
- High margin opportunity
- Potential to bring skills to core social gamers in West
Imaginative & Physical Action Figures + Immersive Connected Video Game Play

“Eruptor”
Stay Connected Across Platforms

Never Before Seen Innovation in Gaming
Skylander Starter Pack

Coming this holiday with 20,000 kiosks and 12 miles of U.S. footprint.
What is the Skylanders Web World?

- A social game based on your collection
- A persistent companion
- A bridge to our ecosystem and a monetization opportunity
- Continuously optimized

Sources: 2011 Gamer Census Data

Over 37 million online and gaming households with children aged 6-12*
New Intellectual Property

**[Prototype 2]**

- An Open World Action game targeting core gamers

**Strategy:**
- Established fan base
- HD-console and PC
- April ’12 launch window
- First time DLC for franchise
Bungie Universe: A Big Thing

37M+ Halo units sold on one platform

Top Three Titles on Xbox Live*

1. Call of Duty Black Ops
2. Call of Duty Modern Warfare 2
3. Bungie’s Halo

Strengthens Activision ‘s Online Leadership

as of 8/1/11 Source majomelson.com units are NPD/ChartTrack, GFK
Mix of Proven and New Properties and Services

Plus Upside From Mobile and Social
20 Years of Growth

Blizzard Entertainment Celebrates
20 years of success and quality

+ Established 1991
+ 13 consecutive #1-selling games
+ More than 4,500 employees across 10 global offices
20 Years of Growth

Leadership team HAS average of 15 years experience

+ Consistent culture and values
+ More than 800 developers across multiple development teams
20 Years of Growth

Quality and online play define Blizzard Games

+ Pioneer in online gaming
+ Audience has grown with each release
+ Average Metacritic Rating: 90
Blizzard Franchises

Total Franchise Sales
(not including World of Warcraft)

57 MM+

World of Warcraft Subscribers
11.1 MM+

WarCraft
20.5 MM+
(excludes World of Warcraft)

StarCraft
16 MM+

Diablo
20.5 MM+
Global Reach and Community
Global Reach and Community

+ **Blizzcon**
  + Sold out for the 6th time in a row
  + 25,000 attendees
  + 500,000 online and DirecTV viewers

+ **Social Media**
  + Over 1 Million Facebook Fans for each Franchise
  + Hundreds of thousands more on Twitter
Battle.net

Foundation for all Blizzard games
+ Cross-game communication
+ Direct line communication from Blizzard to players
Facilitating New Business Models

+ Direct digital game sales
+ Free trials
+ Value-Added services
+ Blizzard Store
Unique Game Features

- Diablo III Auction House
- StarCraft II Map Marketplace
- StarCraft II Leagues and Ladders
- Achievement system
StarCraft II: Wings of Liberty

- Fastest-selling strategy game ever
  - 1.5 million in 48 hours
  - 3 million in first month
StarCraft II: Wings of Liberty

“...surpasses your expectations and delivers fun in ways you never even knew you wanted.”
– The New York Times

“Ambitious and well-realized”
– MTV GameTrailers

Best Game of 2010
Wired

Top 10 Game of 2010
Time Magazine
StarCraft II E-Sports

- Millions of video sessions served by top Leagues
- “BarCraft” phenomenon

* Reported by Wall St. Journal, Times of London
StarCraft II: Heart of the Swarm

* Gameplay Highlights
  * Play as Kerrigan, “Greatest Villain of all time”
  * Mutate and evolve new Zerg species
  * New multiplayer units and maps
StarCraft II: Heart of the Swarm

* Improved Custom Game Functionality
  * Easier and more intuitive search
  * Rate and review user-created content
  * Foundation for map marketplace
  * Players can sell maps through Battle.net

* Blizzard DOTA
  * New multiplayer game mode for StarCraft II
  * Based on popular Warcraft III mod
StarCraft II Business Models

- Box and digital game download
- Two expansion sets
- Time-based access in Asia and other regions
- Free Starter Edition to attract new players
- Map Marketplace
#1 subscription-based MMORPG worldwide

- 11.1 Million subscribers at end of Q2 2011
- Leading Western gaming franchise in Asia
- 10 years of development
  - Unmatched content and infrastructure depth
- Deep player investment in characters and community
Growth and Retention Drivers

- Brazil expansion
  - Top 10 country in broadband users
- China
  - Expand into Tier 2 and Tier 3 cities
  - VAS launch
- Starter Edition
  - Free to play until level 20
  - 60% increase in new account creation
Patch 4.3

- Biggest update since Cataclysm
  - Epic Deathwing Raid encounter
  - New character customization
  - Additional Storage space
WoW Business model

- Box and Digital game sales
- Subscriptions and Time cards
- Value-added services
- Free Starter Edition to attract new players
- World of Warcraft Remote
D2 logo needed. Are there other milestones we want to include here?
Samantha Bong, 8/26/2011
Diablo Franchise Success

+ Redefined the Action/RPG Genre
+ Fewer barriers to entry
  + More accessible
  + Appealing to casual and hardcore players
+ Franchise sales of than 20.5MM
Diablo III Business model

- Box and Digital game sales for west
- Other regions - TBD
- Auction House
  - Safe, convenient item trading
Blizzard Pipeline

+ Diablo III with Auction House (Beta in Sept ‘11)
+ StarCraft II expansion sets
  + Heart of the Swarm and Legacy of the Void
+ Blizzard DOTA
+ StarCraft Marketplace
+ World of Warcraft geographic expansion
  + Brazil and China Tier 2/3 Cities
+ World of Warcraft expansion sets
+ Unannounced MMO
DIABLO III Battle.net Features
Diablo and Battle.net

Welcome to battle.net

Battle.net Login

Name: [input field]
Password: [input field]
New Account
Change Password

Profile:
If this character has no Battle.net password, you must create a Battle.net account by pressing the "New Account" button. While creating the new account you may rename your character.

Channel
Create
Join
Quit

Joining channel: Diablo USA-1
Welcome to Battle.net
This server is hosted by AT&T.
There are currently 225 users playing 57 games of Diablo, and 90127 users playing 45510 games on Battle.net.
Chatting with this game is restricted to the channels listed in the channel menu.
Last logon: Fri Jul 15 4:29 PM
<RedSlav> pkpgk?

Diablo USA 1 (10)

RegentKiba
DSC
Benny-Blanco
Countercrash
Lithium(djd)
ThaDOORS
Bassgrisnee
Super_Savan
noobernlober
RedSlav
Diablo and Battle.net

- Wild West of Battle.net
- Easy to cheat
- Focused on player killing
Diablo II and Battle.net

- The Wild West, only slightly less wild
- Hostility added to PVP
- Stone of Jordan Economy
- Ladder Resets
Diablo II and Battle.net

Areas For Improvement

+ Single player characters left out
+ Characters weren't persistent
+ Hard to find and make friends
+ No matchmaking services
+ Item trading was difficult
Diablo III and Battle.net

- Always connected to your friends
  - Persistent friends list
  - Cross game chat

- Always connected to the game
  - Online only
  - Persistent characters
Play Together, Stay Together

- Public Game Finder
- PVP Matchmaking
- Quick Join Friends
- Dynamic Co-op Play
Banner System

- Veteran of many Versus battles
- Achievements Tally
- Completed Nightmare Difficulty
- Hardcore Player
Trading in Diablo

+ Loot = Big part of Diablo
+ Item drops are random
+ Odds of a particular item dropping are often low
+ Trading is an effective way to find items
Trading in Diablo

* A few ways to trade in Diablo II...
  * Manual exchange with in-game trading interface
  * Post in forums/chat channels
  * Shady 3rd party web sites

* We want to make this a better experience for our players
Diablo III Auction House

+ Buy and sell items with real-world currency
+ Integrated into game client
+ Items, gold, and components can be sold
+ Single, regional Auction House for each supported currency
features

* Auto-bidding and instant buyout
* Smart search by class
* Shared stash
* Secure item transfers
Additional Details

+ Facilitate player trading - not a Blizzard store

+ Players will be anonymous during trades

+ Will also have a gold auction house and in-game trading

+ Hardcore characters will not be able to use the real money auction house
Transactions

+ **Transaction Fee**
  + Listing
  + Sale

+ **Battle.net Account Balance**

+ **Cashing out**
  + Third party payment provider
Why?

* Players want it!
* Great for buyers and sellers
* Works well with design of Diablo item system
* Adds a great deal of depth and fun to the long term game
* Completely in-game
Thomas Tippl
Chief Operating Officer and CFO
Year To Date Highlights

- 1H 2011
  - Increasing Revenue, Operating Margin, EPS
    - Revenues up over prior year
    - Record operating margin of more than 26%* 
    - Record EPS and up 50% over prior year
    - Driven by growth in high margin digital business

- Raised 2011 Outlook for Second Time

- $1.2 Billion in TTM Operating Cash Flow

*Source company financials released on 8/3/2011 – Non GAAP, 44% GAAP operating margin

Digital Growth Drives Expected 2011 Record Operating Margin
Exceptional Cash Generation

Cumulative 2008-2010 Operating Cash Flow

$2.9B

Activision Blizzard

Zynga

Electronic Arts

Ubisoft

Take-Two Interactive

Source: NASDAQ Factset
Note: ATVI FYE Dec., UBI and ERTS FYE Mar., Take-Two FYE Mar '10, Oct. FYE '08 and '09

In 2009 We Added a Free Cash Flow Metric to Executive Performance Incentive Plan
Exceptional Cash Generation

Cumulative 2008-2010 Operating Cash Flow

- Activision Blizzard: $2.9B
- Zynga
- Electronic Arts
- Ubisoft
- Take-Two Interactive

TTM June 2011 Operating Cash Flow: $1.2B
Market Capitalization: $13.3B
Cash Generated on Shareholders’ Inv.: 9%

Source: NASDAQ Factset
Note: ATVI FYE Dec., UBI and ERTS FYE Mar., Take-Two FYE Mar ’10, Oct. FYE ’08 and ’09, Market Cap as of 6/30/11
Three Year Capital Allocation*

Internal Growth
- Online enabled franchises and services
  - $2+ Billion

External Growth
- Franchise and studio acquisitions
  - <$100 Million

Return Value to Shareholders
- Dividends and Buybacks
  - $3 Billion

Generated Record Earnings and Operating Cash Flows

*7/08-6/11
Over $2B Internal Investments

Generating Record Earnings and Operating Profits

People

- 70% Developing Online-Enabled Properties & Services
- Other

Major Investments

- Blizzard Entertainment
- Sledgehammer Games
- Bungie
- Infinity Ward
- Beach Head
- DemonWare
$3+ Billion in Value Returned to Shareholders

Buybacks $2.7B

Dividends $380M
An Outstanding Track Record

History of Setting, Hitting and Exceeding Targets

Pre-Merger, June 2007
- FY 2008 12%
- Near-Term 15-18%
- Long-Term 20%+

Post-Merger, September 2008
- CY 2009 25%
- Near-Term 27-28%
- Long-Term 30%+

Calendar 2011
- Non-GAAP Operating Margin Objective: 31% (e)

* As of August 3, 2011

Revenue Growth CAGR

Mid Single Digit+
Revenue Growth

EPS Growth CAGR

Double Digit+
EPS Growth

Continued Operating Margin Expansion Driven by Digital
5% Revenue Growth Scenario

### Incremental Non-GAAP Revenue

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>Total 2012-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outlook (8/3/11)</td>
<td>$4050</td>
<td>$4250</td>
<td>$4460</td>
<td>$4680</td>
<td>$1250M</td>
</tr>
<tr>
<td>@ 5% Growth</td>
<td>$200</td>
<td>$200</td>
<td>$200</td>
<td>$600</td>
<td></td>
</tr>
<tr>
<td>@ 5% Growth</td>
<td>$210</td>
<td>$210</td>
<td>$420</td>
<td></td>
<td></td>
</tr>
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Note: $, millions
Our Core Pipeline Alone Could Achieve Revenue Target

Diablo 3 & Expansion
StarCraft II Expansion 1
StarCraft II Expansion 2
Wow Expansion 1
Wow Expansion 2
COD Digital
Bungie/ Halo/ Xbox

$1250M+

Assumes no incremental from COD retail and WOW subs.

To Achieve 5% Revenue Growth Per Year We Need to Generate Incremental $1250M
Basic Building Blocks for Growth

Our Core Pipeline Has Higher Operating Margins

Diablo 3 & Expansion
StarCraft II Expansion 1
StarCraft II Expansion 2
WoW Expansion 1
WoW Expansion 2
COD Digital
Bungie/ Halo/ Xbox

>31%

- Revenue Growth CAGR
- Mid Single Digit+
- EPS Growth CAGR
- Double Digit+

Continued Operating Margin Expansion Driven by Digital
## Potential For Upside

### Our Core Pipeline Has New Models/Platforms/Geographies

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<td>COD Asia</td>
<td>Microtransaction</td>
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<tr>
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<td><strong>Total</strong></td>
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### Our New Intellectual Property with New Business Models

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## Potential For Upside

### Our Properties Take Share on Mobile/ Social

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What You Heard Today

- **Tremendous market opportunity**
  - Large and growing global online markets
  - Fastest growing online segments are most profitable

- **Best positioned to leverage opportunity**
  - Biggest, best online enabled pipeline ever
  - Expanding capabilities and reach as a service provider
  - New innovative intellectual property in development
  - Leverage emerging platforms and models

- **Targeting growth over the next three years**
  - History of setting, achieving and exceeding targets

*Relentless Focus on Shareholder Value Creation*