Fourth Quarter 2012 Results
February 7, 2013
Safe Harbor Disclosure

Please review our SEC filings on Form 10-K and Form 10-Q

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 as,” “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, the impact of the current macroeconomic environment, increasing concentration of titles shifts in consumer spending trends, 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, 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, the seasonal and cyclical nature of the interactive entertainment 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, the console transition, adoption rate and availability of new hardware (including peripherals) and related software, rapid changes in technology and industry standards, the current regulatory environment, litigation risks and associated costs, protection of proprietary rights, 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 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 forward-looking statements in this presentation are based on information available to the Company as of the date of this presentation and, while believed to be true when made, may ultimately prove to be incorrect. 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, February 7, 2013, or to reflect the occurrence of unanticipated events.
### Activision Blizzard 2012 Results Summary

Record performance driven by innovation and quality

<table>
<thead>
<tr>
<th></th>
<th>GAAP 2011</th>
<th>Original 2012 Outlook¹</th>
<th>GAAP 2012</th>
<th>Year-over-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenues</td>
<td>$4,755M</td>
<td>$4,150M</td>
<td>$4,856M</td>
<td>2%</td>
</tr>
<tr>
<td>EPS</td>
<td>$0.92</td>
<td>$0.63</td>
<td>$1.01</td>
<td>10%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Non-GAAP 2011</th>
<th>Original 2012 Outlook¹</th>
<th>Non-GAAP 2012</th>
<th>Year-over-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenues</td>
<td>$4,489M</td>
<td>$4,500M</td>
<td>$4,987M</td>
<td>11%</td>
</tr>
<tr>
<td>EPS</td>
<td>$0.93</td>
<td>$0.94</td>
<td>$1.18</td>
<td>27%</td>
</tr>
</tbody>
</table>

### Operating Cash Flow

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>Year-over-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash Flow</td>
<td>$952M</td>
<td>$1,345M</td>
<td>41%</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>$72M</td>
<td>$73M</td>
<td>1%</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$880M</td>
<td>$1,272M</td>
<td>45%</td>
</tr>
</tbody>
</table>

¹ Original 2012 outlook provided on 2/9/2012
² Non-GAAP information reconciliation tables in the appendix of the earnings release, which is available on [www.activisionblizzard.com](http://www.activisionblizzard.com)
³ Non-GAAP free cash flow represents operating cash flow minus capital expenditures.
Activision Blizzard 2012 Highlights

Better-than-expected, record $1.18 Non-GAAP\(^1\) EPS, Operating Cash Flow of $1.34B

- **Incredible financial performance:**
  - Non-GAAP\(^1\) Revenues of approximately $5B
  - Non-GAAP\(^1\) Operating Margin was a record 34%
  - Non-GAAP\(^1\) EPS grew 27% to a record $1.18
  - Operating Cash Flow of $1.34B

- **Outstanding product performance\(^2\):**
  - #1 Videogame Publisher and #1 Digital Publisher in the U.S. and Europe combined: #1 title overall, #1 console title, #1 PC title and #1 subscription-based MMORPG

- **Investing for the future:**
  - Activision Publishing:
    - Call of Duty; Skylanders; Bungie; Call of Duty Online with Tencent
  - Blizzard Entertainment:
    - World of Warcraft; Diablo III; StarCraft II: Heart of the Swarm; Blizzard All-Stars; unannounced MMO

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\(^1\) Non-GAAP information reconciliation tables in the appendix of the earnings release, which is available on [www.activisionblizzard.com](http://www.activisionblizzard.com)

\(^2\) According to The NPD Group, Chart-Track, GfK and Activision Blizzard internal estimates.
## Activision Blizzard Q4 Results Summary

Record performance driven by innovation and quality

<table>
<thead>
<tr>
<th>GAAP</th>
<th>Q4 2011</th>
<th>Prior Q4 2012 Outlook</th>
<th>Q4 2012</th>
<th>Year-over-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenues</td>
<td>$1,407M</td>
<td>$1,485M</td>
<td>$1,768M</td>
<td>26%</td>
</tr>
<tr>
<td>EPS</td>
<td>$0.08</td>
<td>$0.19</td>
<td>$0.31</td>
<td>288%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-GAAP</th>
<th>Q4 2011</th>
<th>Prior Q4 2012 Outlook</th>
<th>Q4 2012</th>
<th>Year-over-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenues</td>
<td>$2,408M</td>
<td>$2,412M</td>
<td>$2,595M</td>
<td>8%</td>
</tr>
<tr>
<td>EPS</td>
<td>$0.62</td>
<td>$0.70</td>
<td>$0.78</td>
<td>26%</td>
</tr>
</tbody>
</table>

### Balance Sheet Highlights

<table>
<thead>
<tr>
<th></th>
<th>As of 12/31/11</th>
<th>As of 12/31/12</th>
<th>Year-over-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Investments&lt;sup&gt;3&lt;/sup&gt;</td>
<td>$3.5B</td>
<td>$4.4B</td>
<td>24%</td>
</tr>
<tr>
<td>Cash &amp; Investments per share&lt;sup&gt;3&lt;/sup&gt;</td>
<td>Approx. $2.95</td>
<td>Approx. $3.69</td>
<td>25%</td>
</tr>
</tbody>
</table>

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<sup>1</sup>Prior outlook provided on 11/07/12

<sup>2</sup>Non-GAAP information reconciliation tables in the appendix of the earnings release, which is available on [www.activisionblizzard.com](http://www.activisionblizzard.com)

<sup>3</sup>Includes short and long-term investments. When calculating cash and investments per diluted share, uses share count of 1.189B, and 1.201B, which includes outstanding common shares, unvested restricted stock rights and all options to acquire shares of common stock as of December 31, 2012 and 2011, respectively.
Earnings Per Share
20% Non-GAAP* EPS CAGR from 2009 to 2012 and 27% increase in 2012

* Non-GAAP information reconciliation tables in the appendix of the earnings release, which is available on www.activisionblizzard.com
Operating Margins
Non-GAAP* Operating Margins increased 380 basis points in 2012

GAAP Operating Margin

Non-GAAP* Operating Margin

* Non-GAAP information reconciliation tables in the appendix of the earnings release, which is available on www.activisionblizzard.com
Cash Flow

Operating Cash Flow increased 41% in 2012, Free Cash Flow* increased 45%

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Operating Cash Flow ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1,183</td>
<td>1,376</td>
<td>952</td>
<td>1,345</td>
</tr>
<tr>
<td>Avg</td>
<td>1,214</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Free Cash Flow* ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1,114</td>
<td>1,279</td>
<td>880</td>
<td>1,272</td>
</tr>
<tr>
<td>Avg</td>
<td>1,136</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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* Non-GAAP information reconciliation tables in the appendix of the earnings release, which is available on www.activisionblizzard.com. Non-GAAP free cash flow represents operating cash flow minus capital expenditures.
Key 2013 Priorities
Focused on our largest and highest margin opportunities

Activision Publishing
Call of Duty 2013 and Call of Duty Online
Skylanders 2013: SWAP Force
Development of Bungie’s new universe

Blizzard Entertainment
Heart of the Swarm March 12, 2013
New content for World of Warcraft
Continued focus on Diablo III

Investment
Financial Outlook, as of February 7, 2013

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>Q1 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GAAP</td>
<td>Non-GAAP*</td>
</tr>
<tr>
<td>Net Revenues</td>
<td>$4,085M</td>
<td>$4,175M</td>
</tr>
<tr>
<td>COGS (Prod/Online)</td>
<td>26%</td>
<td>26%</td>
</tr>
<tr>
<td>Operating Expense, incl. Royalties</td>
<td>48%</td>
<td>43%</td>
</tr>
<tr>
<td>Operating Margin, may not foot due to rounding</td>
<td>26%</td>
<td>30%</td>
</tr>
<tr>
<td>Tax Rate</td>
<td>26%</td>
<td>27%</td>
</tr>
<tr>
<td>EPS</td>
<td>$0.68</td>
<td>$0.80</td>
</tr>
<tr>
<td>Diluted Share Count</td>
<td>1.15B</td>
<td>1.15B</td>
</tr>
</tbody>
</table>

The company is considering or may consider during 2013, substantial stock repurchases, dividends, acquisitions, licensing or other non-ordinary course transactions, and significant debt financings relating thereto. The company’s first quarter and full year 2013 outlooks do not take into account any such transactions or financings that may or may not occur during the year, with the exception of the $0.19 cent per share cash dividend announced on February 7, 2013. Our outlook is based on assumptions about sell-through rates for our products and the launch timing, success and pricing of our slate of new 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 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 most recent Annual Report on Form 10-K and our other SEC filings) actual results may deviate materially from the outlook presented above.

* Non-GAAP information reconciliation tables in the appendix of the earnings release, which is available on www.activisionblizzard.com.
Record Call of Duty Online Engagement

Record engagement in December; multiple titles with multi-year engagement

Call of Duty Monthly Active Users (MAU)

- Black Ops 2
- Modern Warfare 3
- Black Ops
- Modern Warfare 2
- World at War
- Modern Warfare
Skylanders SWAP Force
Innovation continues with a great new game for 2013

Skylanders franchise:
• Revenues >$1B thru 2012
• Over 100M toys sold to date

SWAP Force, our 2013 game:
• Puts the power of choice in the hands of the Portal Master
• First time in HD for the franchise
• All figures sold to date are playable in the new game, plus our largest collection of figures yet:
  • 16 new SWAP Skylanders figures with 256 possible SWAPABILITIES
  • 8 new Light Core figures
  • 16 new Core figures
  • 16 reposed Core figures
• To launch this fall, building on the momentum of Giants, with over 120 licensed partners
Activision Publishing Highlights & Pipeline

#1 Publisher in North America and Europe in 2012

Fastest ever to $1 billion, breaking MW3’s record. Highest share ever, and highest online engagement with record MAU in December.

Microtransaction-based game licensed to Tencent for the large and fast growing Asian online game audience.

All new game. 16 SWAP Skylanders figures offer 256 dynamically swappable attack and movement SWAPABILITIES. All toys sold to date are playable in SWAP Force.

Making progress on Bungie’s new universe, planning to offer meaningful innovation as Halo did over a decade ago.

Prudently investing by hiring, not acquiring, the best talent. Mobile extends our reach and is a complementary and incremental opportunity for our brands.

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1 Including toys and accessories, source: NPD, Chart-Track, GfK
Blizzard Entertainment Highlights

2012 was a busy and successful year for Blizzard; 2013 will be a year of investment

World of Warcraft: Mists of Pandaria
- Over 9.6M subscribers as of 12/31/12

Diablo III
- Over 12M players as of 12/31/12

StarCraft II: Heart of the Swarm
- Expected to launch March 12, 2013

Large and Innovative Pipeline
- Blizzard All-Stars, new MMO in development
Use of Non-GAAP Measures

As a supplement to our financial measures presented in accordance with GAAP, Activision Blizzard presents certain non-GAAP measures of financial performance. These non-GAAP financial measures are not intended to be considered in isolation from, as a substitute for, or as more important than, the financial information prepared and presented in accordance with GAAP. In addition, these non-GAAP measures have limitations in that they do not reflect all of the items associated with the company’s results of operations as determined in accordance with GAAP.

Activision Blizzard provides net revenues, net income (loss), earnings (loss) per share and operating margin data and guidance both including (in accordance with GAAP) and excluding (non-GAAP) certain items. The non-GAAP financial measures exclude the following items, as applicable in any given reporting period:

- the change in deferred net revenue and related cost of sales with respect to certain of the company’s online-enabled games;
- expenses related to stock-based compensation;
- expenses related to restructuring;
- the amortization of intangibles, and impairment of intangible assets and goodwill; and
- the income tax adjustments associated with any of the above items.

In the future, Activision Blizzard may also consider whether other significant non-recurring items should also be excluded in calculating the non-GAAP financial measures used by the company. Management believes that the presentation of these non-GAAP financial measures provides investors with additional useful information to measure Activision Blizzard’s financial and operating performance. In particular, the measures facilitate comparison of operating performance between periods and help investors to better understand the operating results of Activision Blizzard by excluding certain items that may not be indicative of the company’s core business, operating results or future outlook. Internally, management uses these non-GAAP financial measures in assessing the company’s operating results, as well as in planning and forecasting.

Activision Blizzard’s non-GAAP financial measures are not based on a comprehensive set of accounting rules or principles, and the terms non-GAAP net revenues, non-GAAP net income, non-GAAP earnings per share, and non-GAAP operating margin do not have a standardized meaning. Therefore, other companies may use the same or similarly named measures, but exclude different items, which may not provide investors a comparable view of Activision Blizzard’s performance in relation to other companies.

Management compensates for the limitations resulting from the exclusion of these items by considering the impact of the items separately and by considering Activision Blizzard’s GAAP, as well as non-GAAP, results and outlook, and by presenting the most comparable GAAP measures directly ahead of non-GAAP measures, and by providing a reconciliation that indicates and describes the adjustments made.

In addition to the reasons stated above, which are generally applicable to each of the items Activision Blizzard excludes from its non-GAAP financial measures, there are additional specific reasons why the company believes it is appropriate to exclude the change in deferred net revenue and related cost of sales with respect to certain of the company’s online-enabled games.

Since Activision Blizzard has determined that some of our games’ online functionality represents an essential component of gameplay and, as a result, a more-than-inconsequential separate deliverable, we recognize revenue attributed to these games titles over their estimated service periods, which may range from five months to a maximum of less than a year. The related cost of sales is deferred and recognized as the related revenues are recognized. Internally, management excludes the impact of this change in deferred net revenue and related cost of sales in its non-GAAP financial measures when evaluating the company’s operating performance, when planning, forecasting and analyzing future periods, and when assessing the performance of its management team.

Management believes this is appropriate because doing so enables an analysis of performance based on the timing of actual transactions with our customers, which is consistent with the way the company is measured by investment analysts and industry data sources. In addition, excluding the change in deferred net revenue and the related cost of sales provides a much more timely indication of trends in our operating results.

For such reconciliation of GAAP to non-GAAP numbers and a description of what is excluded from each non-GAAP financial measure, and for more detailed information concerning the Company’s financial results for the three and twelve months ended December 31, 2012, please refer to the Company’s earnings release dated February 7, 2013, which is available on our website, www.activisionblizzard.com.