

ACTIVISION

BILZZARD®

Second Quarter 2009 Results

August 5, 2009

Safe Harbor Disclosure



The statements contained in this presentation that are not historical facts are forward-looking statements. The company generally uses words such as “outlook”, “will”, “remains”, “to sell”, “plans”, “believes”, “may”, “expects”, “intends”, and similar expressions to identify forward-looking statements. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties. The Company cautions that a number of important factors could cause Activision Blizzard's actual future results and other future circumstances to differ materially from those expressed in any such forward looking statements. Such factors include, without limitation, sales levels of the Company's titles, shifts in consumer spending trends, the impact of the current macroeconomic environment, the seasonal and cyclical nature of the interactive game market, any further difficulties related to the transition of World of Warcraft in China from the former licensee to NetEase, 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 our products, adoption rate and availability of new hardware and related software, industry competition, rapid changes in technology, industry standards, and customer preferences, protection of proprietary rights, litigation against us, maintenance of relationships with key personnel, customers, licensees, licensors, vendors and third-party developers, counterparty risks relating to customers, licensees, licensors and manufacturers, domestic and international economic, financial and political conditions and policies, foreign exchange rates, integration of recent acquisitions and the identification of suitable future acquisition opportunities, our success in completing the integration of the operations of Activision and Vivendi Games in a timely manner and the combined company's ability to realize the anticipated benefits and synergies of the transaction to the extent, or in the timeframe, anticipated, and our ability to realize the anticipated benefits and synergies of the transaction to the extent, or in the timeframe, anticipated. These important factors and other factors that potentially could affect the Company's financial results are described in the Company's Annual Report on Form 10-K for the period ended December 31, 2008 and subsequently filed quarterly reports on Form 10-Q. The Company may change its intention, belief or expectation, at any time and without notice, based upon any changes in such factors, in the Company's assumptions or otherwise. The Company undertakes no obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances after today, August 5th,2009, or to reflect the occurrence of unanticipated events.

For a full reconciliation of GAAP to non-GAAP numbers, please refer to the appendix at the end of this presentation. For more detailed information concerning the Company's financial results for the fiscal quarter ended June 30, 2009, please refer to the Company's earnings release dated August 5th,2009.

- July 9th – one-year anniversary as Activision Blizzard
 - Better-than-expected financial performance - 4th consecutive quarter

- Reaffirming our CY09 Non-GAAP EPS outlook
 - Record Non-GAAP operating margins expected – 26%

- Strategic decisions for long-term shareholder value creation
 - Repositioned StarCraft II release into first half 2010, to go along with the launch of the updated Battle.net
 - Strengthening our position in China with NetEase transition
 - Continue to make progress on cost reduction initiatives and share repurchase
 - Board authorized additional \$250 million to our buyback program

Positioned for the Long-Term



Activision Blizzard's 5 key advantages:

- Our focus on select number of proven franchises and genres
- Our strong retail-oriented marketing and sales programs
- Our leading online capability, first-mover advantage and access to fast growing Asian markets
- Our industry-leading operational capability and talented employee base
- Exceptional balance sheet

Competitive Positioning and Long-Term Focus = Shareholder Value

Activision Blizzard Second Qtr Results



GAAP	Prior Outlook*	June 09
Net Revenue	\$1,000M	\$1,038M
EPS	\$0.10	\$0.15

Non-GAAP**	Prior Outlook*	June 09
Net Revenue	\$775M	\$801M
EPS	\$0.06	\$0.08

	As of 3/31/09	As of 6/30/09
Cash & Investments	\$3.1B	\$2.9B

	LTD as of 3/31/09	LTD as of 6/30/09
Share Repurchase	\$439M @ \$9.78	\$668M @ \$10.41

*Prior Outlook provided on 5/7/09

**Non-GAAP information reconciliation tables in the appendix at the end of this presentation

Results Ahead of Outlook + Additional \$250M Repurchase Authorization

Activision Blizzard Financial Outlook



Outlook	GAAP CY2009*	Non-GAAP CY2009*	GAAP Sep CY09*	Non-GAAP Sep CY09*
Net Revenue	\$4.05B	\$4.50B	\$680M	\$700M
COGS (Prod/MMOG)	35%	37%	29%	35%
Op Ex incl. Royalties	55%	37%	70%	56%
EPS	\$0.26	\$0.63	(\$0.03)	\$0.03
Share Count	1.32B	1.32B	1.27B	1.31B

*Sep 09 and CY09 outlook is provided as of 8/5/09

Our outlook is subject to significant risks and uncertainties including declines in demand for the company's products, fluctuations in foreign exchange rates, and counterparty risks relating to customers, licensees, licensors and manufacturers. Current macroeconomic conditions increase those risks and uncertainties. Our outlook is also based on assumptions about sell through rates for the company's products, the new slate of products and progress in successfully integrating operations following last year's business combination between Activision, Inc. and Vivendi Games Inc. As a result of these and other factors including uncertainty regarding when Blizzard Entertainment's World of Warcraft will relaunch in mainland China, actual results may deviate materially from the outlook presented today.

NA/EUR Market Growth Review



North America and Europe Installed Base

Current Gen. Platforms	6/30/09 Installed Base	Estimated CY2009 Increase	Estimated 12/31/09 Installed Base
Xbox 360	27M	9M	33M
Playstation 3	16M	7M	20M
Wii	40M	15M+	50M+
Handhelds	96M	21M+	108M+
Total	179M	52M+	211M+

*Total installed base North America and Europe as of 6/30/09 = 355M

**Includes legacy platforms
Source: NPD, Chartrack, GfK*

Hardware Expectations Reduced Slightly Down 1MM Units

- Software expectations adjusted slightly
 - Slowing hardware sales
 - Continued weak macro economic environment
 - Lower-than-expected software sales to year to date
- Expect NA/EUR software market to be flat to down slightly
- Expect AAA launch pricing to hold
- Retailers increasingly selective and cautious but still showing strong commitment to our holiday launches
- Shelf space allocation is expected to remain strong this holiday
 - Store-within-a-store featuring our products

Top Titles Will Take a Disproportionate Share This Holiday

For the quarter:

- Gained 2.8 points market share in NA/Europe
- #1 U.S. third-party publisher console/HH
- #1 new IP – PROTOTYPE – both the 360 and PS3
- Wolverine & Transformers #1 and #2 day and date best-selling movie games

Well Positioned As We Enter the Second Half

Guitar Hero Highlights



- Year to date – #1 third-party franchise NA & EUR
- Gained 8 points of market share year to date – 53% of the genre
- Genre is down significantly - Guitar Hero has performed in line with the overall market
- Grew European sales year to date 66%
- All of these accomplishments with no major release to date
- Significant opportunities in 2H of CY09 with several major launches
- Improving inventory position at retail

We Continue To Extend Our Lead in the Music/Dance Genre

Second Half 2009

September Quarter

- Guitar Hero 5
- Marvel Ultimate Alliance 2
- Wolfenstein

December Quarter*

- DJ Hero
- Band Hero
- Bakugan Battle Brawlers
- Blur
- Tony Hawk: Ride
- Modern Warfare Wii
- Modern Warfare 2
- Guitar Hero Van Halen

**Titles are not in release date order*

Entering the Back Half With A Strong Slate

Blizzard Entertainment Highlights



- Subscriber trends year over year
 - World of Warcraft offline in China, no relevant comparison
 - West subscriber numbers up despite economic downturn
- StarCraft II release moved to first half 2010
 - Integral to StarCraft II is the launch of the new Battle.net game service
- Battle.net – will be the premier online gaming destination
 - Strategically important to the company
 - Foundation for all future online games at Blizzard
 - Featuring social networking, cross game communication, unified account management and login, and more
- China transition update
 - Beta test with NetEase on the new infrastructure in China
 - More than 4.2M World of Warcraft accounts used to log in and play during beta
- BlizzCon Convention – August 21st and 22nd - Anaheim

Making the Right Investments for the Future

ACTIVISION

BILZARD[®]

*The reconciliation tables are in the earnings release and on our website along with the replay webcast.