

ACTIVISION BLIZZARD, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(Amounts in millions, except per share data)

	Quarter ended June 30,		Six months ended June 30,	
	2009	2008 ¹	2009	2008 ¹
Net revenues:				
Product sales	\$ 747	\$ 80	\$ 1,437	\$ 141
Subscription, licensing and other revenues	291	272	582	536
Total net revenues	1,038	352	2,019	677
Costs and expenses:				
Cost of sales - product costs	281	39	577	74
Cost of sales - software royalties and amortization	86	16	158	37
Cost of sales - intellectual property licenses	54	7	118	9
Cost of sales - massively multi-player online role playing game ("MMORPG")	51	44	103	93
Product development	123	99	240	203
Sales and marketing	118	51	201	78
General and administrative	92	50	195	74
Restructuring	15	-	30	-
Total costs and expenses	820	306	1,622	568
Operating income	218	46	397	109
Investment income, net	-	2	10	4
Income before income tax provision	218	48	407	113
Income tax provision	23	20	23	42
Net income	\$ 195	\$ 28	\$ 384	\$ 71
Basic earnings per common share	\$ 0.15	\$ 0.05	\$ 0.29	\$ 0.12
Weighted average common shares outstanding	1,289	591	1,299	591
Diluted earnings per common share	\$ 0.15	\$ 0.05	\$ 0.28	\$ 0.12
Weighted average common shares outstanding assuming dilution	1,332	591	1,345	591

¹ On July 9, 2008, a business combination (the "Business Combination") by and among Activision, Inc., Sego Merger Corporation, a wholly-owned subsidiary of Activision, Inc., Vivendi S.A. ("Vivendi"), VGAC LLC, a wholly-owned subsidiary of Vivendi ("VGAC"), and Vivendi Games, Inc., a wholly-owned subsidiary of VGAC ("Vivendi Games" or "VG"), was consummated. As a result of the consummation of the Business Combination, Activision, Inc. was renamed Activision Blizzard, Inc.

For accounting purposes, because the Business Combination resulted in Vivendi obtaining control of Activision, Inc. through the acquisition of a majority of common stock of Activision, Inc., the Business Combination is treated as a "reverse acquisition," with Vivendi Games deemed to be the acquirer. As a result, (i) the historical financial statements of the company prior to July 9, 2008 are those of Vivendi Games, Inc. and (ii) the results of Activision, Inc. prior to July 9, 2008 are not included as part of the company's historical financial statements.

Further, earnings per share for periods prior to the Business Combination are retrospectively adjusted to reflect the number of equivalent shares received by Vivendi, former parent of Vivendi Games, Inc.

ACTIVISION BLIZZARD, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Amounts in millions)

	June 30, 2009	December 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,728	\$ 2,958
Short-term investments	102	44
Accounts receivable, net	282	1,210
Inventories	198	262
Software development	231	235
Intellectual property licenses	51	35
Deferred income taxes, net	792	536
Intangible assets, net	2	14
Other current assets	124	201
Total current assets	4,510	5,495
Long-term investments	23	78
Software development	16	1
Intellectual property licenses	5	5
Property and equipment, net	134	149
Other assets	16	30
Intangible assets, net	1,206	1,283
Trademark and trade names	433	433
Goodwill	7,176	7,227
Total assets	\$ 13,519	\$ 14,701
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 135	\$ 555
Deferred revenues	423	923
Accrued expenses and other liabilities	533	842
Total current liabilities	1,091	2,320
Deferred income taxes, net	699	615
Other liabilities	198	239
Total liabilities	1,988	3,174
Shareholders' equity:		
Common stock	-	-
Additional paid-in capital	12,303	12,170
Treasury stock	(668)	(126)
Accumulated deficit	(90)	(474)
Accumulated other comprehensive loss	(14)	(43)
Total shareholders' equity	11,531	11,527
Total liabilities and shareholders' equity	\$ 13,519	\$ 14,701

ACTIVISION BLIZZARD, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP NET INCOME TO NON-GAAP NET INCOME
(Amounts in millions, except per share data)

Quarter ended June 30, 2009	Net Revenues	Cost of Sales - Product costs	Cost of Sales - Software Royalties and Amortization	Cost of Sales - Intellectual property licenses	Cost of Sales - MMORPG	Product Development	Sales and Marketing	General and Administrative	Restructuring	Total Costs and Expenses
GAAP Measurement	\$ 1,038	\$ 281	\$ 86	\$ 54	\$ 51	\$ 123	\$ 118	\$ 92	\$ 15	\$ 820
Less: Net effect from deferral in net revenues and related cost of sales (a)	(237)	(43)	(28)	(2)	-	-	-	-	-	(73)
Less: Stock-based compensation (including purchase price accounting related adjustments) (b)	-	-	(10)	-	-	(8)	(4)	(21)	-	(43)
Less: Results of Activision Blizzard's non-core exit operations (c)	-	-	-	-	-	1	-	(4)	-	(3)
Less: One time costs related to the Business Combination, integration and restructuring (d)	-	-	-	-	-	-	-	(3)	(15)	(18)
Less: Amortization of intangible assets and purchase price accounting related adjustments (e)	-	(1)	(12)	(24)	-	-	-	(1)	-	(38)
Non-GAAP Measurement	\$ 801	\$ 237	\$ 36	\$ 28	\$ 51	\$ 116	\$ 114	\$ 63	\$ -	\$ 645

Quarter ended June 30, 2009	Operating Income (Loss)	Net Income (Loss)	Basic Earnings (Loss) per Share	Diluted Earnings (Loss) per Share
GAAP Measurement	\$ 218	\$ 195	\$ 0.15	\$ 0.15
Less: Net effect from deferral in net revenues and related cost of sales (a)	(164)	(145)	(0.11)	(0.11)
Less: Stock-based compensation (including purchase price accounting related adjustments) (b)	43	27	0.02	0.02
Less: Results of Activision Blizzard's non-core exit operations (c)	3	2	-	-
Less: One time costs related to the Business Combination, integration and restructuring (d)	18	11	0.01	0.01
Less: Amortization of intangible assets and purchase price accounting related adjustments (e)	38	22	0.02	0.02
Non-GAAP Measurement	\$ 156	\$ 112	\$ 0.09	\$ 0.08

(a) Reflects the net change in deferred net revenues and related cost of sales.

(b) Includes expense related to stock-based compensation.

(c) Reflects the results of products and operations from the historical Vivendi Games businesses that the Company has exited or substantially wound down.

(d) Reflects one-time costs related to the Business Combination with Vivendi Games (including transaction costs, integration costs and restructuring activities). Restructuring activities includes severance costs, facility exit costs and balance sheet write down and exit costs from the cancellation of projects.

(e) Reflects amortization of intangible assets, and the increase in the fair value of inventories and associated cost of sales, all of which relate to purchase price accounting related adjustments.

The per share adjustments are presented as calculated, and the GAAP and non-GAAP earnings (loss) per share information is also presented as calculated. The sum of these measures, as presented, may differ due to the impact of rounding.

ACTIVISION BLIZZARD, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP NET INCOME TO NON-GAAP NET INCOME
(Amounts in millions, except earnings (loss) per share data)

Quarter ended June 30, 2008		Net Revenues	Cost of Sales - Product costs	Cost of Sales - Software Royalties and Amortization	Cost of Sales - Intellectual property licenses	Cost of Sales - MMORPG	Product Development	Sales and Marketing	General and Administrative	Restructuring	Total Costs and Expenses
GAAP Measurement		\$ 352	\$ 39	\$ 16	\$ 7	\$ 44	\$ 99	\$ 51	\$ 50	\$ -	\$ 306
	Less: Net effect from deferral in net revenues and related cost of sales (a)	(2)	1	-	-	-	-	-	-	-	1
	Less: Stock-based compensation (b)	-	-	-	-	-	(9)	(1)	(2)	-	(12)
	Less: Results of Activision Blizzard's non-core exit operations (c)	(5)	-	(9)	(3)	-	(34)	(14)	(20)	-	(80)
	Less: Amortization of intangible assets and purchase price accounting related adjustments (d)	-	-	(1)	-	-	-	-	-	-	(1)
Non-GAAP Measurement		\$ 345	\$ 40	\$ 6	\$ 4	\$ 44	\$ 56	\$ 36	\$ 28	\$ -	\$ 214

Quarter ended June 30, 2008		Operating Income (Loss)	Net Income (Loss)	Basic Earnings (Loss) per Share	Diluted Earnings (Loss) per Share
GAAP Measurement		\$ 46	\$ 28	0.05	0.05
	Less: Net effect from deferral in net revenues and related cost of sales (a)	(3)	(2)	-	-
	Less: Stock-based compensation (b)	12	8	0.01	0.01
	Less: Results of Activision Blizzard's non-core exit operations (c)	75	46	0.08	0.08
	Less: Amortization of intangible assets and purchase price accounting related adjustments (d)	1	1	-	-
Non-GAAP Measurement		\$ 131	\$ 81	0.14	0.14

- (a) Reflects the net change in deferred net revenues and related cost of sales.
(b) Includes expense related to stock-based compensation.
(c) Reflects the results of products and operations from the historical Vivendi Games businesses that the Company has exited or substantially wound down.
(d) Reflects amortization of intangible assets, and the increase in the fair value of inventories and associated cost of sales, all of which relate to purchase price accounting related adjustments.

The per share adjustments are presented as calculated, and the GAAP and non-GAAP earnings (loss) per share information is also presented as calculated. The sum of these measures, as presented, may differ due to the impact of rounding.

ACTIVISION BLIZZARD, INC. AND SUBSIDIARIES
FINANCIAL INFORMATION

For the Quarter and Six months ended June 30, 2009

(Amounts in millions)

	Quarter Ended		Six Months Ended	
	June 30, 2009		June 30, 2009	
	Amount	% of Total	Amount	% of Total
GAAP Net Revenues by Segment/Platform Mix				
Activision and Blizzard:				
MMORPG	\$ 324	31 %	\$ 638	32 %
PC and other	41	4	87	4
Sony PlayStation 3	152	15	283	14
Sony PlayStation 2	44	4	84	4
Microsoft Xbox 360	231	22	429	21
Nintendo Wii	118	11	252	13
Total Console	545	52	1,048	52
Sony PlayStation Portable	17	2	23	1
Nintendo Dual Screen	48	5	74	4
Total hand-held	65	7	97	5
Total Activision and Blizzard	975	94	1,870	93
Distribution:				
Total Distribution	63	6	148	7
Total net revenues core operations	1,038	100	2,018	100
Activision Blizzard's non-core exit operations	-	-	1	-
Total consolidated GAAP net revenues	\$ 1,038	100 %	\$ 2,019	100 %
Changes in Deferred Net Revenues ¹				
Activision and Blizzard:				
MMORPG	\$ (42)		\$ (75)	
PC and other	(13)		(30)	
Sony PlayStation 3	(47)		(118)	
Microsoft Xbox 360	(91)		(183)	
Nintendo Wii	(44)		(87)	
Total Console	(182)		(388)	
Sony PlayStation Portable	-		-	
Total changes in deferred net revenues	(237)		(493)	
Activision Blizzard's non-core exit operations ¹	\$ -		\$ (1)	
Non-GAAP Net Revenues by Segment/Platform Mix				
Activision and Blizzard:				
MMORPG	\$ 282	35 %	\$ 563	37 %
PC and other	28	4	57	4
Sony PlayStation 3	105	13	165	11
Sony PlayStation 2	44	5	84	5
Microsoft Xbox 360	140	18	246	16
Nintendo Wii	74	9	165	11
Total Console	363	45	660	43
Sony PlayStation Portable	17	2	23	1
Nintendo Dual Screen	48	6	74	5
Total Hand-held	65	8	97	6
Total Activision and Blizzard	738	92	1,377	90
Total Distribution	63	8	148	10
Total non-GAAP net revenues	\$ 801	100 %	\$ 1,525	100 %

¹ We provide net revenues including (in accordance with GAAP) and excluding (non-GAAP) the impact of change in deferred net revenues and Activision Blizzard's non-core exit operations.

ACTIVISION BLIZZARD, INC. AND SUBSIDIARIES
FINANCIAL INFORMATION

For the Quarter and Six months ended June 30, 2009

(Amounts in millions)

	Quarter Ended		Six Months Ended	
	June 30, 2009		June 30, 2009	
	Amount	% of Total	Amount	% of Total
GAAP Net Revenues by Geographic Region				
North America	\$ 557	54 %	\$ 1,081	53 %
Europe	408	39	800	40
Asia Pacific	73	7	137	7
Total net revenues core operations	1,038	100	2,018	100
Activision Blizzard's non-core exit operations	-	-	1	-
Total consolidated GAAP net revenues	\$ 1,038	100 %	\$ 2,019	100 %
Changes in deferred Net Revenues ¹				
North America	\$ (165)		\$ (315)	
Europe	(69)		(168)	
Asia Pacific	(3)		(10)	
Total changes in net revenues	\$ (237)		\$ (493)	
Activision Blizzard's non-core exit operations ¹	\$ -		\$ (1)	
Non-GAAP Net Revenues by Geographic Region				
North America	\$ 392	49 %	\$ 766	51 %
Europe	339	42	632	41
Asia Pacific	70	9	127	8
Total non-GAAP net revenues	\$ 801	100 %	\$ 1,525	100 %

¹ We provide net revenues including (in accordance with GAAP) and excluding (non-GAAP) the impact of change in deferred net revenues and Activision Blizzard's non-core exit operations.

ACTIVISION BLIZZARD, INC. AND SUBSIDIARIES
For the Three Months Ended June 30, 2009 and 2008
GAAP to Non-GAAP Reconciliations
Segment Information - Comparable Basis Net Revenues (amounts in millions)

	<u>Activision</u> ⁽ⁱ⁾	<u>Blizzard</u> ⁽ⁱⁱ⁾	<u>Distribution</u> ⁽ⁱⁱⁱ⁾	<u>Core</u> ^(iv)	<u>Non-Core</u> ^(v)	<u>Segments / Consolidated Total</u>
Three months ended June 30, 2009						
Segment net revenues	\$ 448	\$ 290	\$ 63	\$ 801	\$ -	\$ 801
Reconciliation to GAAP consolidated net revenues						
- Net effect from deferral of net revenues						237
Consolidated net revenues (GAAP)						\$ 1,038
Non-GAAP Comparable Basis Segment Net Revenues	\$ 448	\$ 290	\$ 63	\$ 801		
Three months ended June 30, 2008						
Segment net revenues (VG only)	\$ 54	\$ 291	\$ -	\$ 345	\$ 5	\$ 350
Reconciliation to GAAP consolidated net revenues						
- Net effect from deferral of net revenues						2
Consolidated net revenues (GAAP)						\$ 352
Comparable Presentation Adjustment:						
Including Activision, Inc. prior periods for the three months ended June 30, 2008						
Segment net revenues	578	-	76	654		
Non-GAAP Comparable Basis Segment Net Revenues	\$ 632	\$ 291	\$ 76	\$ 999		
- Change in comparable basis -- three months ended June 30, 2009 vs. 2008						-20%

(i) Activision Publishing ("Activision") -- publishes interactive entertainment software and peripherals, which includes the Activision business conducted by Activision, Inc. prior to the business combination and certain studios, assets, and titles previously included in Vivendi Games' "Sierra Entertainment" operating segment prior to the business combination.

(ii) Blizzard -- Blizzard Entertainment, Inc. and its subsidiaries ("Blizzard") publishes traditional games and online subscription-based games in the MMORPG category.

(iii) Activision Blizzard Distribution ("Distribution") -- distribution of interactive entertainment software and hardware products.

(iv) Activision, Blizzard and Distribution are referred to collectively as Activision Blizzard Inc.'s core operations ("Core").

(v) Activision Blizzard's non-core exit operations ("Non-Core") -- presents Vivendi Games' divisions or business units that the company has exited or substantially wound down as part of its restructuring and integration efforts as a result of the business combination.

ACTIVISION BLIZZARD, INC. AND SUBSIDIARIES
For the Three Months Ended June 30, 2009 and 2008
GAAP to Non-GAAP Reconciliations

Segment Information - Comparable Basis Segment Operating Income (Loss) (amounts in millions)

	<u>Activision</u> ⁽ⁱ⁾	<u>Blizzard</u> ⁽ⁱⁱ⁾	<u>Distribution</u> ⁽ⁱⁱⁱ⁾	<u>Core</u> ^(iv)	<u>Non-Core</u> ^(v)	<u>Segments / Consolidated Total</u>
Three months ended June 30, 2009						
Segment operating income (loss)	\$ 21	\$ 134	\$ 1	\$ 156	\$ (3)	\$ 153
Reconciliation to GAAP consolidated operating income (loss)						
- Net effect from deferral of net revenues and related cost of sales						164
- Stock-based compensation expense						(43)
- Restructuring expense						(15)
- Amortization of intangible assets and purchase price accounting related adjustments						(38)
- Integration and transaction costs						(3)
Consolidated operating income (loss) (GAAP)					\$	218
Non-GAAP Comparable Basis Segment Operating Income (Loss)	\$ 21	\$ 134	\$ 1	\$ 156		
Three months ended June 30, 2008						
Segment operating income (loss) (VG only)	\$ (16)	\$ 147	\$ -	\$ 131	\$ (75)	\$ 56
Reconciliation to GAAP consolidated operating income (loss)						
- Net effect from deferral of net revenues and related cost of sales						3
- Stock-based compensation expense						(12)
- Amortization of intangible assets and purchase price accounting related adjustments						(1)
Consolidated operating income (loss) (GAAP)					\$	46
Comparable Presentation Adjustment:						
Including Activision, Inc. prior periods for the three months ended June 30, 2008						
Segment operating income (loss)	103	-	1	104	-	104
Reconciliation to consolidated operating income (loss)						
- Stock-based compensation						(12)
- Integration and transaction costs						(12)
Consolidated operating income (loss)					\$	80
Non-GAAP Comparable Basis Segment Operating Income (Loss)	\$ 87	\$ 147	\$ 1	\$ 235		
- Change in comparable basis -- three months ended June 30, 2009 vs. 2008						-34%

(i) Activision Publishing ("Activision") -- publishes interactive entertainment software and peripherals, which includes the Activision business conducted by Activision, Inc. prior to the business combination and certain studios, assets, and titles previously included in Vivendi Games' "Sierra Entertainment" operating segment prior to the business combination.

(ii) Blizzard -- Blizzard Entertainment, Inc. and its subsidiaries ("Blizzard") publishes traditional games and online subscription-based games in the MMORPG category.

(iii) Activision Blizzard Distribution ("Distribution") -- distribution of interactive entertainment software and hardware products.

(iv) Activision, Blizzard and Distribution are referred to collectively as Activision Blizzard Inc.'s core operations ("Core").

(v) Activision Blizzard's non-core exit operations ("Non-Core") -- presents Vivendi Games' divisions or business units that the company has exited or substantially wound down as part of its restructuring and integration efforts as a result of the business combination.

ACTIVISION BLIZZARD, INC. AND SUBSIDIARIES
For the Six Months Ended June 30, 2009 and 2008
GAAP to Non-GAAP Reconciliations
Segment Information - Comparable Basis Net Revenues (amounts in millions)

	<u>Activision</u> ⁽ⁱ⁾	<u>Blizzard</u> ⁽ⁱⁱ⁾	<u>Distribution</u> ⁽ⁱⁱⁱ⁾	<u>Core</u> ^(iv)	<u>Non-Core</u> ^(v)	<u>Segments / Consolidated Total</u>
Six months ended June 30, 2009						
Segment net revenues	\$ 796	\$ 581	\$ 148	\$ 1,525	\$ 1	\$ 1,526
Reconciliation to GAAP consolidated net revenues - Net effect from deferral of net revenues						493
Consolidated net revenues (GAAP)						\$ 2,019
Non-GAAP Comparable Basis Segment Net Revenues	\$ 796	\$ 581	\$ 148	\$ 1,525		
Six months ended June 30, 2008						
Segment net revenues (VG only)	\$ 92	\$ 571	\$ -	\$ 663	\$ 10	\$ 673
Reconciliation to GAAP consolidated net revenues - Net effect from deferral of net revenues						4
Consolidated net revenues (GAAP)						\$ 677
Comparable Presentation Adjustment: Including Activision, Inc. prior periods for the six months ended June 30, 2008						
Segment net revenues	1,092	-	165	1,257		
Non-GAAP Comparable Basis Segment Net Revenues	\$ 1,184	\$ 571	\$ 165	\$ 1,920		
- Change in comparable basis -- six months ended June 30, 2009 vs. 2008						-21%

(i) Activision Publishing ("Activision") -- publishes interactive entertainment software and peripherals, which includes the Activision business conducted by Activision, Inc. prior to the business combination and certain studios, assets, and titles previously included in Vivendi Games' "Sierra Entertainment" operating segment prior to the business combination.

(ii) Blizzard -- Blizzard Entertainment, Inc. and its subsidiaries ("Blizzard") publishes traditional games and online subscription-based games in the MMORPG category.

(iii) Activision Blizzard Distribution ("Distribution") -- distribution of interactive entertainment software and hardware products.

(iv) Activision, Blizzard and Distribution are referred to collectively as Activision Blizzard Inc.'s core operations ("Core").

(v) Activision Blizzard's non-core exit operations ("Non-Core") -- presents Vivendi Games' divisions or business units that the company has exited or substantially wound down as part of its restructuring and integration efforts as a result of the business combination.

ACTIVISION BLIZZARD, INC. AND SUBSIDIARIES
For the Six Months Ended June 30, 2009 and 2008
GAAP to Non-GAAP Reconciliations

Segment Information - Comparable Basis Segment Operating Income (Loss) (amounts in millions)

	<u>Activision</u> ⁽ⁱ⁾	<u>Blizzard</u> ⁽ⁱⁱ⁾	<u>Distribution</u> ⁽ⁱⁱⁱ⁾	<u>Core</u> ^(iv)	<u>Non-Core</u> ^(v)	<u>Segments / Consolidated Total</u>
Six months ended June 30, 2009						
Segment operating income (loss)	\$ (6)	\$ 277	\$ 4	\$ 275	\$ (8)	\$ 267
Reconciliation to GAAP consolidated operating income (loss)						
- Net effect from deferral of net revenues and related cost of sales						331
- Stock-based compensation expense						(71)
- Restructuring expenses						(30)
- Amortization of intangible assets and purchase price accounting related adjustments						(83)
- Integration and transaction costs						(17)
Consolidated operating income (loss) (GAAP)					\$	\$ 397
Non-GAAP Comparable Basis Segment Operating Income (Loss)	\$ (6)	\$ 277	\$ 4	\$ 275		
Six months ended June 30, 2008						
Segment operating income (loss) (VG only)	\$ (34)	\$ 301	\$ -	\$ 267	\$ (140)	\$ 127
Reconciliation to GAAP consolidated operating income (loss)						
- Net effect from deferral of net revenues and related cost of sales						5
- Stock-based compensation expense						(21)
- Amortization of intangible assets and purchase price accounting related adjustments						(2)
Consolidated operating income (loss) (GAAP)					\$	\$ 109
Comparable Presentation Adjustment:						
Including Activision, Inc. prior periods for the six months ended June 30, 2008						
Segment operating income (loss)	172	-	4	176		176
Reconciliation to consolidated operating income (loss)						
- Stock-based compensation						(30)
- Integration and transaction costs						(12)
Consolidated operating income (loss)					\$	\$ 134
Non-GAAP Comparable Basis Segment Operating Income (Loss)	\$ 138	\$ 301	\$ 4	\$ 443		
- Change in comparable basis -- six months ended June 30, 2009 vs. 2008				-38%		

(i) Activision Publishing ("Activision") -- publishes interactive entertainment software and peripherals, which includes the Activision business conducted by Activision, Inc. prior to the business combination and certain studios, assets, and titles previously included in Vivendi Games' "Sierra Entertainment" operating segment prior to the business combination.

(ii) Blizzard -- Blizzard Entertainment, Inc. and its subsidiaries ("Blizzard") publishes traditional games and online subscription-based games in the MMORPG category.

(iii) Activision Blizzard Distribution ("Distribution") -- distribution of interactive entertainment software and hardware products.

(iv) Activision, Blizzard and Distribution are referred to collectively as Activision Blizzard Inc.'s core operations ("Core").

(v) Activision Blizzard's non-core exit operations ("Non-Core") -- presents Vivendi Games' divisions or business units that the company has exited or substantially wound down as part of its restructuring and integration efforts as a result of the business combination.

Activision Blizzard Outlook
For the Quarter Ending September 30, 2009 and Year Ending
December 31, 2009
GAAP to Non-GAAP Reconciliation
(Amounts in millions, except per share data)

	<u>Outlook for</u> <u>Quarter Ending</u> <u>September 30, 2009</u>	<u>Outlook for</u> <u>Year Ending</u> <u>December 31, 2009</u>
Net Revenues (GAAP)	\$ 680	\$ 4,050
<u>Excluding the impacts of:</u>		
Change in deferred net revenues	20	450 (a)
Non-GAAP Net Revenues	\$ 700	\$ 4,500
Earnings (Loss) Per Diluted Share (GAAP)	\$ (0.03)	\$ 0.26
<u>Excluding the impacts of:</u>		
Change in deferred net revenues and related cost of sales	0.03	0.15 (b)
Equity based compensation (including purchase price accounting related adjustments)	0.02	0.08 (c)
Results of products and operations that the company has exited or substantially wound down	-	0.01 (d)
One time costs related to the Business Combination, integration and restructuring	-	0.02 (e)
Amortization of intangible assets and purchase price accounting related adjustments	0.01	0.11 (f)
Non-GAAP Earnings Per Diluted Share	\$ 0.03	\$ 0.63

(a) Reflects the net change in deferred net revenues.

(b) Reflects the net change in deferred net revenues and related cost of sales.

(c) Reflects equity based compensation costs, including the increase in fair value associated with the historical Activision stock awards as part of the purchase price accounting adjustments. Also includes the costs of the Blizzard Entertainment equity plan and Vivendi awards to historical Vivendi Games employees.

(d) Reflects the results of products and operations from the historical Vivendi Games businesses that the company has exited or substantially wound down and exit costs from the cancellation of projects.

(e) Reflects one-time costs related to the business combination with Vivendi Games (including transaction costs, integration costs and restructuring activities). Restructuring activities includes severance costs and facility exit costs.

(f) Reflects amortization of intangible assets, the increase in the fair value of inventories and associated cost of sales, all of which relate to purchase price accounting related adjustments.

The per share adjustments are presented as calculated, and the GAAP and non-GAAP earnings (loss) per share information is also presented as calculated. The sum of these measures, as presented, may differ due to the impact of rounding.