

ACTIVISION BLIZZARD, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except earnings (loss) per share data)

	Quarter ended December 31,		Year ended December 31,	
	2008	2007*	2008	2007*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net revenues:				
Product sales	\$ 1,319	\$ 211	\$ 1,872	\$ 457
Subscription, licensing and other revenues	320	242	1,154	892
Total net revenues	1,639	453	3,026	1,349
Costs and expenses:				
Cost of sales - product costs	805	74	1,160	171
Cost of sales - software royalties and amortization	179	39	267	52
Cost of sales - intellectual property licenses	174	4	219	9
Cost of sales - massively multi-play online game ("MMOG")	53	45	193	204
Product development	196	122	592	397
Sales and marketing	244	67	464	172
Restructuring costs	32	-	93	(1)
General and administrative	104	57	271	166
Total costs and expenses	1,787	408	3,259	1,170
Operating income (loss)	(148)	45	(233)	179
Investment income (loss), net	18	1	46	(4)
Income (loss) before income tax provision (benefit)	(130)	46	(187)	175
Income tax benefit	(58)	(40)	(80)	(52)
Net income (loss)	\$ (72)	\$ 86	\$ (107)	\$ 227
Basic earnings (loss) per share	\$ (0.05)	\$ 0.15	\$ (0.11)	\$ 0.38
Weighted average common shares outstanding	1,326	591	946	591
Diluted earnings (loss) per share	\$ (0.05)	\$ 0.15	\$ (0.11)	\$ 0.38
Weighted average common shares outstanding assuming dilution	1,326	591	946	591

*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
(In millions)

	December 31, 2008	December 31, 2007*
ASSETS	(Unaudited)	
Current assets:		
Cash and cash equivalents	\$ 2,958	\$ 62
Short-term investments	44	3
Accounts receivable, net	1,210	112
Inventories	262	21
Software development	235	25
Intellectual property licenses	35	9
Deferred income taxes	587	143
Intangible assets, net	14	-
Other current assets	201	23
Total current assets	5,546	398
Long-term investments	78	-
Software development	1	51
Intellectual property licenses	5	8
Property and equipment, net	149	129
Deferred income taxes	85	24
Other assets	30	6
Intangible assets, net	1,283	7
Trade name	433	53
Goodwill	7,227	203
Total assets	\$ 14,837	\$ 879
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 555	\$ 49
Deferred revenues	923	197
Deferred income tax	51	-
Accrued expenses and other liabilities	842	282
Total current liabilities	2,371	528
Deferred income tax	700	-
Other liabilities	239	111
Total liabilities	3,310	639
Shareholders' equity:		
Common stock	-	-
Additional paid-in capital	12,170	490
Net receivable from Vivendi and affiliated companies	-	77
Retained earnings (accumulated deficit)	(474)	(367)
Accumulated other comprehensive income (loss)	(43)	40
Treasury stock	(126)	-
Total shareholders' equity	11,527	240
Total liabilities and shareholders' equity	\$ 14,837	\$ 879

*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.

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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
RECONCILIATION OF GAAP NET INCOME (LOSS) TO NON-GAAP NET INCOME
(In millions, except earnings (loss) per share data)

Quarter ended December 31, 2008	Net Revenues	Cost of Sales - Product costs	Cost of Sales - Software Royalties and Amortization	Cost of Sales - Intellectual property licenses	Cost of Sales - MMOG	Product Development	Sales and Marketing	General and Administrative	Restructuring	Total Costs and Expenses
GAAP Measurement	\$ 1,639	\$ 805	\$ 179	\$ 174	\$ 53	\$ 196	\$ 244	\$ 104	\$ 32	\$ 1,787
Less: Changes in deferred net revenues and related cost of sales (a)	705	135	61	19	-	-	-	-	-	215
Less: Equity-based compensation (including purchase price accounting related adjustments) (b)	-	-	(4)	-	(0)	(10)	(4)	(25)	-	(43)
Less: Results of Activision Blizzard's non-core exit operations (c)	(1)	(0)	(0)	-	(0)	(10)	(3)	(3)	-	(16)
Less: One time costs related to the Vivendi transaction, integration and restructuring (d)	-	-	-	-	-	-	-	(11)	(32)	(43)
Less: Amortization of intangibles and purchase price accounting related adjustments (e)	-	(7)	(71)	(118)	-	-	(4)	(1)	-	(201)
Non-GAAP Measurement	\$ 2,343	\$ 933	\$ 165	\$ 75	\$ 53	\$ 176	\$ 233	\$ 64	\$ -	\$ 1,699

Quarter ended December 31, 2008	Operating Income (Loss)	Net Income (Loss)	Basic Earnings (Loss) per Share	Diluted Earnings (Loss) per Share
GAAP Measurement	\$ (148)	\$ (72)	\$ (0.05)	\$ (0.05)
Less: Changes in deferred net revenues and related cost of sales (a)	490	313	0.24	0.23
Less: Equity-based compensation (including purchase price accounting related adjustments) (b)	43	26	0.02	0.02
Less: Results of Activision Blizzard's non-core exit operations (c)	15	11	0.01	0.01
Less: One time costs related to the Vivendi transaction, integration and restructuring (d)	43	30	0.02	0.02
Less: Amortization of intangibles and purchase price accounting related adjustments (e)	201	121	0.09	0.09
Non-GAAP Measurement	\$ 644	\$ 429	\$ 0.32	\$ 0.31

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

(b) Includes expense related to employee stock options, employee stock purchase plan and restricted stock rights under Statement of Financial Accounting Standards No. 123 (revised 2004), "Share-Based Payment."

(c) Reflects the results of products and operations from the historical Vivendi Games businesses that the company has exited or is winding 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.

See explanation above regarding the Company's practice on reporting non-GAAP financial measures. 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 Year Ended December 31, 2008
(Amounts in millions)

	Quarter Ended				Percent Increase (Decrease)
	December 31, 2008		December 31, 2007		
	Amount	% of Total	Amount	% of Total	
Geographic Revenue Mix					
North America	\$ 903	55%	\$ 198	44%	356%
Europe	660	40%	180	40%	267%
Asia Pacific	75	5%	74	16%	1%
Total net revenues core operations	1,638	100%	452	100%	262%
Non-core operations	1	0%	1	0%	0%
Total consolidated net revenues	\$ 1,639	100%	\$ 453	100%	262%
Segment/Platform Mix					
Activision and Blizzard:					
MMOG	\$ 325	20%	\$ 279	62%	16%
Console	958	59%	103	23%	830%
Hand-held	135	8%	43	10%	214%
PC	49	3%	27	5%	81%
Total Activision and Blizzard net revenues	1,467	90%	452	100%	225%
Total Distribution net revenues	171	10%	-	-	n/a
Total net revenues core operations	1,638	100%	452	100%	262%
Non-core operations	1	0%	1	0%	0%
Total consolidated net revenues	\$ 1,639	100%	\$ 453	100%	262%

	Year Ended				Percent Increase (Decrease)
	December 31, 2008		December 31, 2007		
	Amount	% of Total	Amount	% of Total	
Geographic Revenue Mix					
North America	\$ 1,494	49%	\$ 620	46%	141%
Europe	1,287	42%	555	41%	132%
Asia Pacific	228	8%	164	12%	39%
Total net revenues core operations	3,009	99%	1,339	99%	125%
Non-core operations	17	1%	10	1%	70%
Total consolidated net revenues	\$ 3,026	100%	\$ 1,349	100%	124%
Segment/Platform Mix					
Activision and Blizzard:					
MMOG	\$ 1,152	38%	\$ 1,024	76%	13%
Console	1,294	43%	157	11%	724%
Hand-held	237	8%	64	5%	270%
PC	99	3%	94	7%	5%
Total Activision and Blizzard net revenues	2,782	92%	1,339	99%	108%
Total Distribution net revenues	227	7%	-	-	n/a
Total net revenues core operations	3,009	99%	1,339	99%	125%
Non-core operations	17	1%	10	1%	70%
Total consolidated net revenues	\$ 3,026	100%	\$ 1,349	100%	124%

ACTIVISION BLIZZARD, INC. AND SUBSIDIARIES
 FINANCIAL INFORMATION
 For the Quarter and Year Ended December 31, 2008

	Quarter Ended December 31, 2008	Quarter Ended December 31, 2007	Year Ended December 31, 2008	Year Ended December 31, 2007
Activision & Blizzard Net Revenues				
MMOG	22%	62%	41%	77%
PC	3%	6%	4%	7%
Console	66%	23%	47%	12%
Sony PlayStation 3	11%	2%	9%	2%
Sony PlayStation 2	14%	9%	10%	5%
Microsoft Xbox 360	19%	7%	13%	3%
Nintendo Wii	22%	5%	15%	2%
Hand-held	9%	9%	8%	4%
Sony PlayStation Portable	1%	3%	1%	2%
Nintendo Dual Screen	8%	5%	7%	2%
Nintendo Game Boy Advance	0%	1%	0%	0%
Total Activision & Blizzard net revenues	100%	100%	100%	100%

ACTIVISION BLIZZARD, INC. AND SUBSIDIARIES
For the twelve months ended December 31, 2008 and 2007
GAAP to Non-GAAP Reconciliations

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

Twelve months ended December 31, 2008	Activision ⁽ⁱ⁾	Blizzard ⁽ⁱⁱ⁾	Distribution ⁽ⁱⁱⁱ⁾	Core ^(iv)	Segments /	
					Non-Core ^(v)	Consolidated Total
Segment operating income (loss) (VG Jan. 1-Dec. 31, Activision July 10-Dec. 31)	\$ 307	\$ 704	\$ 22	\$ 1,033	\$ (266)	\$ 767
Reconciliation to GAAP consolidated operating income (loss)						
- Net effect from deferral of net revenues and cost of sales						(496)
- Stock-based compensation						(90)
- Restructuring expenses						(93)
- Amortization of intangible assets and purchase price accounting related adjustments						(292)
- Integration and transaction costs						(29)
Consolidated operating income (loss) (GAAP)					\$	(233)
Comparable Presentation Adjustments:						
Including Activision, Inc. prior periods from July 1 to July 9, 2008						
Segment operating income (loss)	(10)	-	1	(9)		(9)
Reconciliation to consolidated operating income (loss)						
- Stock-based compensation						(3)
- Integration and transaction costs						(38)
Consolidated operating income (loss)					\$	(50)
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						(29)
- Integration and transaction costs						(12)
Consolidated operating income (loss)					\$	135
Non-GAAP Comparable Basis Segment Operating Income (Loss)	\$ 469	\$ 704	\$ 27	\$ 1,200		
Twelve months ended December 31, 2007						
Segment operating income (loss) (VG only)	\$ (13)	\$ 568	\$ -	\$ 555	\$ (198)	\$ 357
Reconciliation to GAAP consolidated operating income (loss)						
- Net effect from deferral of net revenues and cost of sales						(38)
- Stock-based compensation						(137)
- Restructuring expenses						1
- Amortization of intangible assets and purchase price accounting related adjustments						(4)
Consolidated operating income (loss) (GAAP)					\$	179
Comparable Presentation Adjustment:						
Including Activision, Inc. prior periods for the twelve months ended December 31, 2007						
Segment operating income (loss)	424	-	15	439		439
Reconciliation to consolidated operating income (loss)						
- Stock-based compensation						(43)
Consolidated operating income (loss)					\$	396
Non-GAAP Comparable Basis Segment Operating Income (Loss)	\$ 411	\$ 568	\$ 15	\$ 994		
- Change in comparable basis -- twelve months ended December 31, 2008 vs. 2007				21%		

(i) Activision Publishing ("Activision") -- which consists of the historical business of Activision, Inc. publishing interactive entertainment software and peripherals, and certain studios, assets, and titles previously included in Vivendi Games' historical "Sierra" operating segment.

(ii) Blizzard -- which consists of the business of Blizzard Entertainment, Inc. and its subsidiaries publishing traditional games and online subscription-based games in the MMOG category.

(iii) Distribution -- which consists of the 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") -- which consists of legacy divisions or business units that the company has exited or is winding down as part of our restructuring and integration efforts as a result of the business combination.

To conform to current period measurement of segment operating income, inter-segment adjustments were not included as a measurement of the segment profit or loss for the quarter and year ended December 31, 2007. This is consistent with our measurement of segment profit or loss for the quarter and year ended December 31, 2008. It was determined that excluding these inter-segment adjustments would result in the most comparable presentation of segment performance. Therefore, for the quarter and year ended December 31, 2008, and 2007, we have excluded these inter-segment adjustments. For our previously issued September 30, 2008 results, the nine and three months ended September 30, 2007 measurement of segment operating income included inter-segment adjustments of \$41 million and \$11 million in Activision, \$5 million and \$1 million in Blizzard, and (\$46) million and (\$12) million in Non-Core, respectively. Excluding these inter-segment adjustments for the nine and three months ended September 30, 2007, Activision segment operating income would have reported as (\$38) million and (\$8) million, Blizzard segment operating income would have reported as \$452 million and \$133 million, and Non-Core segment operating income would have reported as (\$132) million and (\$52) million, respectively.

There is no effect to the reported segment and consolidated operating income for the nine and three months ended September 30, 2008, and there is no impact to the consolidated operating income for the nine and three months ended September 30, 2007.

ACTIVISION BLIZZARD, INC. AND SUBSIDIARIES

For the Three Months Ended December 31, 2008 and 2007

GAAP to Non-GAAP Reconciliations

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

Three months ended December 31, 2008	Activision ⁽ⁱ⁾	Blizzard ⁽ⁱⁱ⁾	Distribution ⁽ⁱⁱⁱ⁾	Core ^(iv)	Non-Core ^(v)	Segments / Consolidated Total
Segment operating income (loss)	\$ 368	\$ 257	\$ 19	\$ 644	\$ (15)	\$ 629
Reconciliation to GAAP consolidated operating income (loss)						
- Net effect from deferral of net revenues and cost of sales						(490)
- Stock-based compensation						(43)
- Restructuring expenses						(32)
- Amortization of intangible assets and purchase price accounting related adjustments						(201)
- Integration and transaction costs						(11)
Consolidated operating income (loss) (GAAP)					\$	(148)
Non-GAAP Comparable Basis Segment Operating Income (Loss)	\$ 368	\$ 257	\$ 19	\$ 644		
Three months ended December 31, 2007	Activision ⁽ⁱ⁾	Blizzard ⁽ⁱⁱ⁾	Distribution ⁽ⁱⁱⁱ⁾	Core ^(iv)	Non-Core ^(v)	Segments / Consolidated Total
Segment operating income (loss) (VG only)	\$ 24	\$ 116	\$ -	\$ 140	\$ (63)	\$ 77
Reconciliation to GAAP consolidated operating income (loss)						
- Net effect from deferral of net revenues and cost of sales						30
- Stock-based compensation						(61)
- Amortization of intangible assets and purchase price accounting related adjustments						(1)
Consolidated operating income (loss) (GAAP)					\$	45
Comparable Presentation Adjustment: Including Activision, Inc. prior periods for the three months ended December 31, 2007						
Segment operating income (loss)	412	-	14	426		426
Reconciliation to consolidated operating income (loss)						
- Stock-based compensation						(21)
Consolidated operating income (loss)					\$	405
Non-GAAP Comparable Basis Segment Operating Income (Loss)	\$ 436	\$ 116	\$ 14	\$ 566		
- Change in comparable basis -- three months ended December 31, 2008 vs. 2007						14%

(i) Activision Publishing ("Activision") -- which consists of the historical business of Activision, Inc. publishing interactive entertainment software and peripherals, and certain studios, assets, and titles previously included in Vivendi Games' historical "Sierra" operating segment.

(ii) Blizzard -- which consists of the business of Blizzard Entertainment, Inc. and its subsidiaries publishing traditional games and online subscription-based games in the MMOG category.

(iii) Distribution -- which consists of the 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") -- which consists of legacy divisions or business units that the company has exited or is winding down as part of our restructuring and integration efforts as a result of the business combination.

To conform to current period measurement of segment operating income, inter-segment adjustments were not included as a measurement of the segment profit or loss for the quarter and year ended December 31, 2007. This is consistent with our measurement of segment profit or loss for the quarter and year ended December 31, 2008. It was determined that excluding these inter-segment adjustments would result in the most comparable presentation of segment performance. Therefore, for the quarter and year ended December 31, 2008, and 2007, we have excluded these inter-segment adjustments. For our previously issued September 30, 2008 results, the nine and three months ended September 30, 2007 measurement of segment operating income included inter-segment adjustments of \$41 million and \$11 million in Activision, \$5 million and \$1 million in Blizzard, and (\$46) million and (\$12) million in Non-Core, respectively. Excluding these inter-segment adjustments for the nine and three months ended September 30, 2007, Activision segment operating income would have reported as (\$38) million and (\$8) million, Blizzard segment operating income would have reported as \$452 million and \$133 million, and Non-Core segment operating income would have reported as (\$132) million and (\$52) million, respectively.

There is no effect to the reported segment and consolidated operating income for the nine and three months ended September 30, 2008, and there is no impact to the consolidated operating income for the nine and three months ended September 30, 2007.

ACTIVISION BLIZZARD, INC. AND SUBSIDIARIES
For the Twelve Months Ended December 31, 2008 and 2007
GAAP to Non-GAAP Reconciliations

Segment Information - Comparable Basis Segment 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>
Twelve months ended December 31, 2008						
Segment net revenues (VG Jan. 1-Dec. 31, Activision July 10-Dec. 31)	\$ 2,152	\$ 1,343	\$ 227	\$ 3,722	\$ 17	\$ 3,739
Reconciliation to GAAP consolidated net revenues						
- Net effect from deferral of net revenues						(713)
Consolidated net revenues (GAAP)					\$	\$ 3,026
Comparable Presentation Adjustments:						
Including Activision, Inc. prior periods from July 1 to July 9, 2008						
Segment net revenues	35	-	18	53		
Including Activision, Inc. prior periods for the six months June 30, 2008						
Segment net revenues	1,092	-	165	1,257		
Non-GAAP Comparable Basis Segment Net Revenues	\$ 3,279	\$ 1,343	\$ 410	\$ 5,032		
Twelve months ended December 31, 2007						
Segment net revenues (VG only)	\$ 272	\$ 1,107	\$ -	\$ 1,379	\$ 10	\$ 1,389
Reconciliation to GAAP consolidated net revenues						
- Net effect from deferral of net revenues						(40)
Consolidated net revenues (GAAP)					\$	\$ 1,349
Comparable Presentation Adjustment:						
Including Activision, Inc. prior periods for the twelve months ended December 31, 2007						
Segment net revenues	2,200	-	408	2,608		
Non-GAAP Comparable Basis Segment Net Revenues	\$ 2,472	\$ 1,107	\$ 408	\$ 3,987		
- Change in comparable basis -- twelve months ended December 31, 2008 vs. 2007						26%

(i) Activision Publishing ("Activision") -- which consists of the historical business of Activision, Inc. publishing interactive entertainment software and peripherals, and certain studios, assets, and titles previously included in Vivendi Games' historical "Sierra" operating segment.

(ii) Blizzard -- which consists of the business of Blizzard Entertainment, Inc. and its subsidiaries publishing traditional games and online subscription-based games in the MMOG category.

(iii) Distribution -- which consists of the 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") -- which consists of legacy divisions or business units that the company has exited or is winding down as part of our restructuring and integration efforts as a result of the business combination.

ACTIVISION BLIZZARD, INC. AND SUBSIDIARIES
For the Three Months Ended December 31, 2008 and 2007
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 December 31, 2008						
Segment net revenues	\$ 1,695	\$ 477	\$ 171	\$ 2,343	\$ 1	\$ 2,344
Reconciliation to GAAP consolidated net revenues						
- Net effect from deferral of net revenues						(705)
Consolidated net revenues (GAAP)						\$ 1,639
Non-GAAP Comparable Basis Segment Net Revenues	\$ 1,695	\$ 477	\$ 171	\$ 2,343		
Three months ended December 31, 2007						
Segment net revenues (VG only)	\$ 164	\$ 251	\$ -	\$ 415	\$ 1	\$ 416
Reconciliation to GAAP consolidated net revenues						
- Net effect from deferral of net revenues						37
Consolidated net revenues (GAAP)						\$ 453
Comparable Presentation Adjustment:						
Including Activision, Inc. prior periods for the three months ended December 31, 2007						
Segment net revenues	1,308	-	174	1,482		
Non-GAAP Comparable Basis Segment Net Revenues	\$ 1,472	\$ 251	\$ 174	\$ 1,897		
- Change in comparable basis -- three months ended December 31, 2008 vs. 2007						24%

(i) Activision Publishing ("Activision") -- which consists of the historical business of Activision, Inc. publishing interactive entertainment software and peripherals, and certain studios, assets, and titles previously included in Vivendi Games' historical "Sierra" operating segment.

(ii) Blizzard -- which consists of the business of Blizzard Entertainment, Inc. and its subsidiaries publishing traditional games and online subscription-based games in the MMOG category.

(iii) Distribution -- which consists of the 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") -- which consists of legacy divisions or business units that the company has exited or is winding down as part of our restructuring and integration efforts as a result of the business combination.

Activision Blizzard Outlook
For the Quarter Ending March 31, 2009 and Year Ending
December 31, 2009

GAAP to Non-GAAP Reconciliation
(In millions, except earnings (loss) per share data)

	Outlook for Quarter Ending March 31, 2009	Outlook for Year Ending December 31, 2009
Net Revenues (GAAP)	\$ 860	\$ 4,200
Excluding the impacts of:		
Change in deferred net revenues	(310)	500 (a)
Non-GAAP Net Revenues	\$ 550	\$ 4,700
Earnings Per Diluted Share (GAAP)	\$ 0.08	\$ 0.22
Excluding the impacts of:		
Change in deferred net revenues and related cost of sales	(0.10)	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 is winding down	0.00	0.01 (d)
One time costs related to the Vivendi transaction, integration and restructuring	0.01	0.02 (e)
Amortization of intangibles and purchase price accounting related adjustments	0.02	0.13 (f)
Non-GAAP Earnings Per Diluted Share	\$ 0.03	\$ 0.61

(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 is winding 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.