

Third Quarter CY 2012 Results



November 7, 2012

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, adoption rate and availability of new hardware (including peripherals) and related software, rapid changes in technology and industry standards, 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, November 7, 2012, or to reflect the occurrence of unanticipated events.

Activision Blizzard 3Q Earnings Highlights

Strong 3Q on AP's Skylanders and COD and Blizzard's Diablo III and Mists of Pandaria

1.

Better-than-expected 3Q results

Strong Revenues, Operating Income, EPS and Operating Cash Flow

2.

Outstanding YTD execution with record Non-GAAP EPS

3 of top 4 best selling titles at Retail in North America and Europe year-to-date*

#1 subscription-based MMO, World of Warcraft, with over 10M subscribers as of Sept. 30

3.

Raised 2012 Revenue and EPS Outlook again

Expecting record Non-GAAP Operating Margins and Record Non-GAAP EPS

Expecting our third consecutive year of double-digit Non-GAAP EPS growth

4.

Continuing to expand our portfolio and reach

Activision Publishing: Working on Call of Duty Online with Tencent, development continues on new Bungie Universe

Blizzard Entertainment: Hard at work on large pipeline including StarCraft II: Heart of the Swarm, Blizzard All-Stars and unannounced MMO

Activision Blizzard 3Q Results Summary

Record performance driven by innovation and online-enabled franchises

GAAP	3Q 2011	Prior 3Q 2012 Outlook ¹	3Q 2012
Net Revenues	\$754M	\$740M	\$841M
EPS	\$0.13	\$0.06	\$0.20

Non-GAAP ²	3Q 2011	Prior 3Q 2012 Outlook ¹	3Q 2012
Net Revenues	\$627M	\$690M	\$751M
EPS	\$0.07	\$0.07	\$0.15

Balance Sheet Highlights	As of 12/31/11	As of 09/30/12
Cash & Investments ³	\$3.5B	\$3.4B

Approximately
\$2.85/Share

¹ Prior outlook provided on 08/02/12

² Non-GAAP information reconciliation tables in the appendix of the earnings release, which is available on www.activisionblizzard.com

³ Includes short and long-term investments. When calculating cash and investments per diluted share, uses share count of 1.186B, which includes outstanding common shares, unvested restricted stock rights and all options to acquire shares of common stock as of September 30, 2012

Key 2H 2012 Priorities

Focused on our largest and highest margin opportunities

Activision Publishing

Skylanders Giants in October
Black Ops II in November

Blizzard Entertainment

Sustaining Diablo III momentum
Mists of Pandaria in September
Continued Heart of the Swarm development

Margin Expansion

- Increasing mix of high-margin Skylanders toys and Blizzard slate
- Productivity improvements across key areas of operating expenses

Financial Outlook, as of November 7, 2012

Expecting record 2012 Non-GAAP Operating Margins and Record Non-GAAP EPS

	2012		4Q 2012	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Net Revenues	\$4,574M	\$4,805M	\$1,485M	\$2,412M
COGS (Prod/Online)	27%	27%	30%	28%
Operating Expense, incl. Royalties	45%	39%	50%	28%
Operating Margin, may not foot due to rounding	27%	33%	20%	44%
Tax Rate	20%	22%	26%	25%
EPS	\$0.88	\$1.10	\$0.19	\$0.70
Diluted Share Count	1,145M	1,145M	1,145M	1,145M

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 2011 Annual Report on Form 10-K and our other SEC filings) actual results may deviate materially from the outlook presented above.

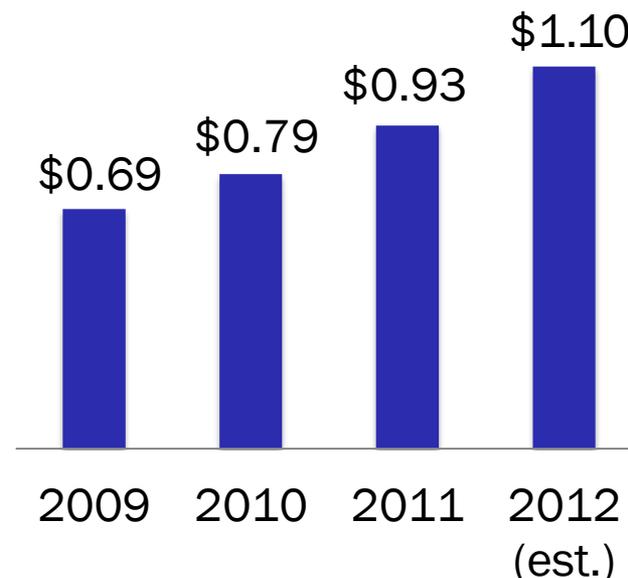
Earnings Per Share

Record Non-GAAP Earnings Per Share Expected in 2012

GAAP EPS



Non-GAAP EPS



Growth: 267% 179% -4.3%

14.5% 17.7% 18.3%

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 2011 Annual Report on Form 10-K and our other SEC filings) actual results may deviate materially from the outlook presented above.

The Big Get Bigger: Premium Game Growth

Top 5 Titles Grew by Double-Digits*, Activision Blizzard has 3 of Top 4 YTD

Retail

Top 5 Titles

Combined Sales*:

11% CAGR '07 to '11

15% Growth YTD '11 to YTD '12

Retail

YTD Through Sept.

Sales** Rank (\$):

ACTIVISION



#1*

BLIZZARD



#3

ACTIVISION



#4

* North America and Europe, including toys and accessories, at retail only. **Source: NPD, Chart-Track, GfK, Activision Blizzard estimates ***Includes WOW Annual Pass.

Diablo III: Top-selling game year-to-date at Retail and Digital combined**,***

Strong Skylanders Franchise Momentum

Driving growth to build our next \$1B+ franchise

Targets both Toys and Video Games

- Toys: \$85B+ Worldwide* in 2013
- Video Games: \$65B+ Worldwide** in 2013
- #1 video game at retail through Sept 30, 2012***



- Launched mid-October
- Strong momentum and high awareness; over 50% larger retail presence than Skylanders Spyro's Adventure

Skylanders Giants:

- 8 Giants and 8 Light Core
- 8 New and 24 Updated Skylanders figures



* Source: NPD

** Source: PwC 2012 Global Media and Entertainment Outlook, ***Including toys and accessories. Source: NPD, Chart-Track, GfK and Activision Blizzard internal estimates.

Giant Retail Presence



November 13, 2012

CALL OF DUTY **BLACK OPS II**

Treyarch's sequel to Black Ops, the bestselling video game ever*

Highly innovative game set in the near future

Making Elite services free to engage the community

Offering Season Pass and a la carte DLC

Planning biggest launch of the year:

- **Record pre-orders**
- **Over 15 thousand midnight events**
- **Huge interest in launch trailer with over 18 million YouTube views in one week**

Activision Publishing Highlights & Pipeline

Strong momentum with two of the top five titles at retail, year to date*



Pre-orders ahead of MW3; Taking Call of Duty into the future with a great new multiplayer and our biggest-ever Zombies game



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



Critically acclaimed sequel to Skylanders Spyro's Adventure, the best selling game at retail YTD, including toys and accessories



Genre-defining new multiplatform IP from one of the industry's best



Building mobile capabilities and launching top-rated and top-selling mobile games to increase engagement and monetization

*Top 5 titles combined in North America and Europe, including toys and accessories, at retail only. Source: NPD, Chart-Track, GfK, Activision Blizzard estimates

Blizzard Entertainment Highlights



World of Warcraft: Mists of Pandaria

- Successful global sim-ship, including China
- First week sales of 2.7M, subscriber base over 10M



Diablo III

- Continued strong sales in Q3



StarCraft II: Heart of the Swarm

- 6M player base from Wings of Liberty
- Beta test is well underway; 2013 retail launch
- Battle.net World Championship eSports event Nov. 17-18

Large and Innovative Pipeline

- Focused on creating high-quality content for all players

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.

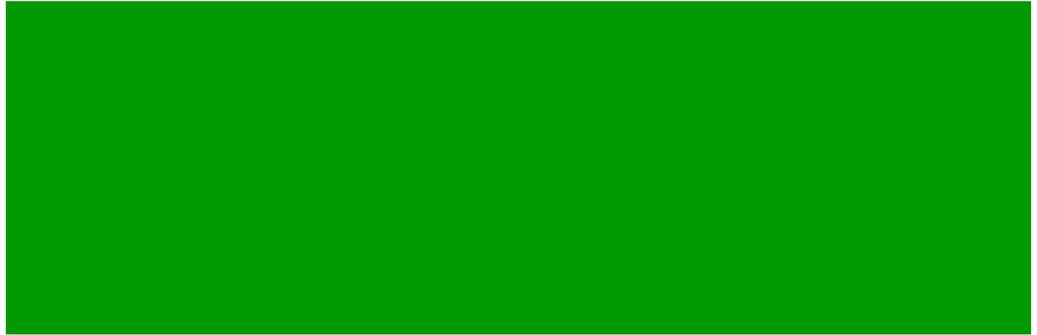
In addition to the reasons stated above, which are generally applicable to each of the items Activision Blizzard excludes from its non-GAAP financial measures, there are additional specific reasons why the company believes it is appropriate to exclude the change in deferred net revenue and related cost 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 game 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 nine months ended September 30, 2012, please refer to the Company's earnings release dated November 7, 2012, which is available on our website, www.activisionblizzard.com.

Third Quarter CY 2012 Results



November 7, 2012