Third Quarter 2013 Results

November 6, 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, including, but not limited to, statements about (1) projections of revenues, expenses, income or loss, earnings or loss per share, cash flow or other financial items; (2) statements of our plans and objectives; (3) statements of future financial or operating performance; and (4) statements about the financing and impact of the recently completed transactions with Vivendi S.A. 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, “toys to life” 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 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, particularly during the ongoing console transition, 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, potential challenges associated with geographic expansion, the possibility that expected benefits related to the recently completed transactions with Vivendi may not materialize as expected, the amount of our debt and the limitations imposed by the covenants in the agreements governing our debt, and the other factors identified in the risk factors section of Activision Blizzard’s most recent annual report on Form 10-K, as amended, and our quarterly report on Form 10-Q for the quarter ended September 30, 2013. 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, as amended, our quarterly report on Form 10-Q for the period, 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 6, 2013, or to reflect the occurrence of unanticipated events.

Highlights

Closed transformational transaction; better-than-expected results; raising 2013 outlook

Closed transformational transaction with Vivendi Oct. 11, 2013:

- Activision Blizzard is an independent public company majority owned by public shareholders
- Repurchased 429 million shares and certain tax attributes for $5.83B in cash or $13.60 per share
- Transaction funded by $4.75B in new debt and $1.2B of cash on hand

Better-than-expected Q3 performance:

- GAAP: $691M revenues, record 59% of revenues from digital channels, $0.05 EPS
- Non-GAAP[1]: $657M revenues, 61% of revenues from digital channels, $0.08 EPS

Raising 2013 full year outlook

Large announced 2014 pipeline:

- Activision Publishing: Destiny, Call of Duty, Skylanders
- Blizzard Entertainment: Hearthstone, Diablo III: Reaper of Souls PC-expansion, World of Warcraft content

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

Q3 2013 Results Summary

Better-than-expected Q3 and Year-to-Date financial results

	Q3 2012		Prior Q3 2013 Outlook[1]		Q3 2013	
	GAAP	Non-GAAP[2]	GAAP	Non-GAAP[2]	GAAP	Non-GAAP[2]
Net Revenues	**$841M**	**$751M**	**$635M**	**$585M**	**$691M**	**$657M**
COGS (Prod/Online)	25%	27%	23%	25%	22%	24%
Operating Expense, incl. Royalties	48%	52%	68%	66%	68%	57%
Adjusted EBITDA[3] Margin	**---**	**23%**			**---**	**22%**
Operating Margin	27%	21%	9%	9%	10%	19%
Interest Income (Expense)	$1M	$1M			($4M)	($4M)
Tax Rate	1%	(8%)	26%	27%	15%	28%
EPS[4]	**$0.20**	**$0.15**	**$0.03**	**$0.03**	**$0.05**	**$0.08**
Fully diluted shares weighted average outstanding	1.14B	1.14B	1.17B	1.17B	1.16B	1.16B

[1] Prior outlook provided on August 1, 2013.

[2] Non-GAAP reconciliation tables are in the appendix of the earnings releases dated August 1, 2013 and November 6, 2013, which are available on www.activisionblizzard.com

[3] Adjusted EBITDA is calculated as non-GAAP operating income before depreciation.

[4] Including participating securities, and dilutive options based on average share price.

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Balance Sheet Highlights

$3.35B in cash and investments post-transaction[2]

	Sept. 30, 2012	Sept. 30, 2013	Post-transaction, as of Oct. 11, 2013
Cash and investments	**$3.38B**	**$4.55B**	**$3.35B**[2]
Cash and investments per share[1]	Approx. $2.84	Approx. $3.82	Approx. $4.41
$250M revolving facility	---	---	---
7-year secured bank loans	---	---	$2.50B
8-year notes (5.625%)	---	$1.50B	$1.50B
10-year notes (6.125%)	---	$0.75B	$0.75B
Total Debt[3]	---	**$2.25B**	**$4.75B**
Net Debt	---	---	**$1.40B**

[1] Based on fully diluted shares outstanding of 1.19B, 1.19B and 761M as of Sept 30, 2012, Sept 30, 2013 and Oct. 11, 2013 respectively. Includes outstanding common shares, restricted stock rights and all outstanding options to acquire shares of common stock as of each of the respective dates.
[2] September 30, 2013 cash and investments of $4.55B less $1.2B paid to Vivendi.
[3] Amount represent gross proceeds from issuance of the notes and draw-down of the bank facilities.

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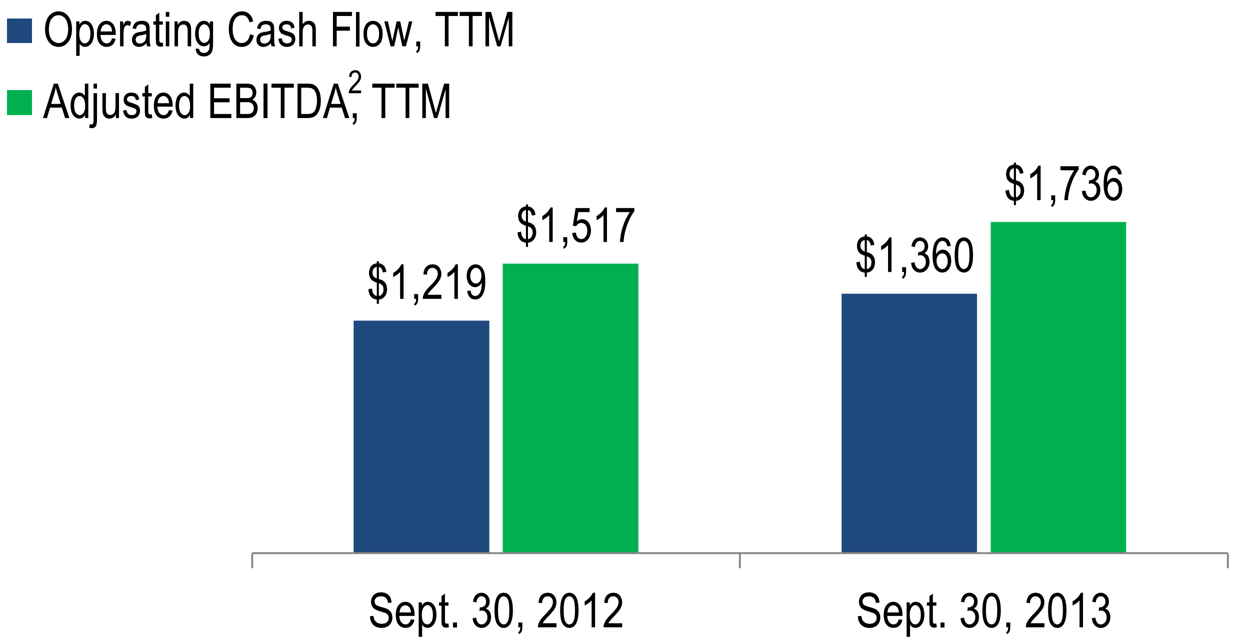
OCF, Adjusted EBITDA[2] and Leverage Ratios



Leverage Ratios	
Secured Debt[1] / TTM Adj. EBITDA[2]	1.4x
Debt[1] / TTM Adj. EBITDA[2]	2.7x
Net Debt[1] / TTM Adj. EBITDA[2]	0.8x

[1]As of October 11, 2013.
[2] Adjusted EBITDA is calculated as non-GAAP operating income before depreciation.

EPS Outlook, as of November 6, 2013

Higher than expected share count due to delayed closing with Vivendi to Oct. 11

Prior Outlook[1]	Q1A	Q2A	Q3E	Q4E	2013E
GAAP EPS	$0.40	$0.28	$0.03	$0.01 – $0.04	$0.80 – $0.82
Non-GAAP EPS**	$0.17	$0.08	$0.03	$0.76 – $0.79	$0.85 – $0.87
Fully Diluted Weighted Average Shares***	1.15B	1.15B	1.17B	743M	1.05B

Current Outlook	Q1A	Q2A	Q3A	Q4E	2013E
GAAP EPS			$0.05	$0.05	$0.83
Non-GAAP EPS**	-- As above --		$0.08	$0.72	$0.89
Fully Diluted Weighted Average Shares***			1.16B	785M	1.06B

Delayed closing increased Q4 weighted average share count and reduced non-GAAP EPS by $0.04

Delayed closing increased 2013 weighted average share count and reduced non-GAAP EPS by $0.01

Pro-forma for 2013, full year*	Prior outlook[1]	Current Outlook
GAAP EPS	$0.91-$0.99	$1.06
Non-GAAP EPS**	$1.01-$1.09	$1.16
Fully Diluted Weighted Average Shares***	725M	727M

[1] Prior outlook provided on August 1, 2013.

* Pro-forma assumes the transactions and their related financial impact commenced January 1, 2013.

** Non-GAAP information reconciliation tables are in the appendix of the release dated August 1, 2013, which is available on www.activisionblizzard.com.

***Including participating securities, and dilutive option based on average share price.

2013 Financial Outlook, as of November 6, 2013

Raising our full year outlook[1]

	Q4 2013		2013	
	GAAP	Non-GAAP*	GAAP	Non-GAAP*
Net Revenues	**$1,255M**	**$2,215M**	**$4,320M**	**$4,285M**
COGS (Prod/Online)	23%	27%	23%	26%
Operating Expense, incl. Royalties	69%	36%	49%	43%
Operating Margin**	8%	37%	28%	31%
Interest Expense	$54M	$54M	$58M	$58M
Tax Rate	23%	25%	23%	25%
EPS	**$0.05**	**$0.72**	**$0.83**	**$0.89**
Fully Diluted Weighted Avg. Shares***	785M	785M	1.06B	1.06B

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, as amended, our quarterly report on Form 10-Q for the quarter ended September 30, 2013 and our other SEC filings) actual results may deviate materially from the outlook presented above.

[1] Prior outlook provided on August 1, 2013.

* Non-GAAP information reconciliation tables in the appendix of the earnings release dated November 6, 2013, which is available on www.activisionblizzard.com.

** May not foot due to rounding.

*** Including participating securities, and dilutive option based on average share price.

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CALL OF DUTY® GHOSTS

Sold-in over $1B to retail worldwide as of day one

11/5 – Launched on Xbox 360, PS3, PC and Wii-U
11/15 – PS4 launches in North America
11/22 – Xbox One launches worldwide
11/29 – PS4 launches in Europe

Complete entertainment package with great story campaign, incredible new multiplayer, new “Squads” mode, and new “Extinction” co-op mode

Skylanders SWAP Force

Launched October 2013

Skylanders franchise:

- #1 kids franchise in both NA and Europe YTD[1]
- Franchise supported by over 150 licensed partners

SWAP Force, our 2013 game:

- Highest-rated game in franchise history
- 20% more retail space than Skylanders Giants
- All figures sold to date are playable in SWAP Force

[1]Including toys and accessories. Source: NPD, GfK Chart-Track and Activision Blizzard internal estimates.

Activision Publishing Highlights & Pipeline

Record Q3 results, well-positioned for the console transition and for the long term

Record digital performance drives record YTD franchise revenues.[1]

Complete entertainment package including great new campaign and incredible multiplayer with new modes including "Extinction".

Developing a microtransaction-based game in partnership with Tencent for the large and fast-growing Chinese online game audience.

Highest-rated game in franchise history[2]. Largest assortment of toys. Over 20% more retail space than Skylanders Giants.

Beta in early 2014, launch in 2014. Bungie's new shared-world action game named Best in Show at Gamescom. Tracking to record pre-orders for a new IP.

[1] Activision Blizzard internal estimates.
[2] MetaCritic, Gamerankings.com

Blizzard Entertainment Highlights

Looking forward to the 7th BlizzCon on November 8 and 9, 2013 in Anaheim

Increased engagement from Siege of Orgrimmar content update
Relatively stable subscribership quarter over quarter

Successful PS3 and Xbox 360 launch
Lifetime sell-thru across all platforms now over 14 million*
Expansion, Reaper of Souls, slated for 2014 on PC and PS4

New free-to-play digital collectible card game for Windows, Mac, and iPad
Closed beta test has been received enthusiastically
Driving toward open beta

Formerly Blizzard All-Stars
New free-to-play online hero brawler
Showcase at BlizzCon

*According to The NPD Group, GfK Chart-Track and Activision Blizzard internal estimates.

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. In addition, Activision Blizzard provides EBITDA (defined as GAAP net income (loss) before interest (income) expense, income taxes, depreciation and amortization) and adjusted EBITDA (defined as non-GAAP operating margin (see non-GAAP financial measure below) before depreciation).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;
- fees and other expenses related to the acquisition of 429 million shares of our common stock on October 11, 2013 from Vivendi, pursuant to the stock purchase agreement dated July 25, 2013 and related debt financings; and
- the amortization of intangibles from purchase price accounting; 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, and measuring compliance with the requirements of the company's debt financing agreements, 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, non-GAAP operating margin, and non-GAAP or adjusted EBITDA 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 months ended Sept. 30, 2013, please refer to the Company's earnings release dated November 6, 2013, which is available on our website, www.activisionblizzard.com.

Third Quarter 2013 Results: Q&A

November 6, 2013