

Second Quarter CY 2012 Results



August 2, 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 “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, increasing concentration of titles, shifts in consumer spending trends, the impact of the current macroeconomic environment and market conditions within the video game industry, 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, the seasonal and cyclical nature of the interactive game 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, 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, 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 the identification of suitable future acquisition opportunities 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, August 2, 2012, or to reflect the occurrence of unanticipated events.

Activision Blizzard 2Q Earnings Highlights

Record 2Q Driven by Diablo III, Skylanders, World of Warcraft and MW3

1.

Activision Blizzard is a global entertainment leader

Providing premium content and services to large, engaged online communities Worldwide

2.

Record 2Q and 1H non-GAAP Revenues, Operating Income and EPS

Diablo III and Skylanders Spyro's Adventure drove 2Q upside

Record 2Q revenues from non-GAAP digital online channels

Blizzard reports record 2Q non-GAAP revenues and record 59% 2Q operating margin

3.

Raised 2012 Revenue and EPS Outlook again; Strong back half lineup

September 25: World of Warcraft: Mists of Pandaria

October 19: Skylanders Giants

November 13: Call of Duty: Black Ops II

4.

Expanding our portfolio and reach

Activision Publishing: Announced Call of Duty Online with Tencent, targeting \$8 billion* Chinese online game market, development continues on new Bungie Universe

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

* Source: PwC 2012 Global Media and Entertainment Outlook

Activision Blizzard 2Q Results Summary

Record performance driven by innovation and online-enabled franchises

GAAP	2Q 2011	Prior 2Q 2012 Outlook ¹	2Q 2012
Net Revenues	\$1,146M	\$950M	\$1,075M
EPS	\$0.29	\$0.13	\$0.16

Non-GAAP ²	2Q 2011	Prior 2Q 2012 Outlook ¹	2Q 2012
Net Revenues	\$699M	\$805M	\$1,054M
EPS	\$0.10	\$0.10	\$0.20

Balance Sheet Highlights	As of 12/31/11	As of 06/30/12
Cash & Investments ³	\$3.5B	\$3.2B

Value Returned to Shareholders	2Q 2012
Dividends Paid	\$204M
Share Repurchases	\$54M

¹ Prior outlook provided on 05/09/12

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.

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 Call of Duty games, Skylanders toys, and Blizzard slate
- Productivity improvements across key areas of operating expenses

Financial Outlook¹, as of August 2, 2012

Expecting record 2012 non-GAAP EPS and record non-GAAP Operating Margins

	2012		3Q 2012	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Net Revenues	\$4.33B	\$4.63B	\$740M	\$690M
COGS (Prod/Online)	27%	26%	26%	25%
Operating Expense, incl. Royalties	48%	41%	62%	59%
Tax Rate	25%	26%	25%	26%
EPS	\$0.69	\$0.99	\$0.06	\$0.07
Diluted Share Count	1.15B	1.15B	1.15B	1.15B

¹ 2012 full-year guidance assumes at least two major title releases from Blizzard Entertainment.

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 and market conditions within the video game industry 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 Top 3 YTD

Top 5 Titles Retail Sales*:

11% CAGR '07 to '11

15% Year-Over-Year Growth 1H '11 to 1H '12

1H '12 Retail Sales** Rank:

#1 **ACTIVISION**



#2 **BLIZZARD**



#3 **ACTIVISION**



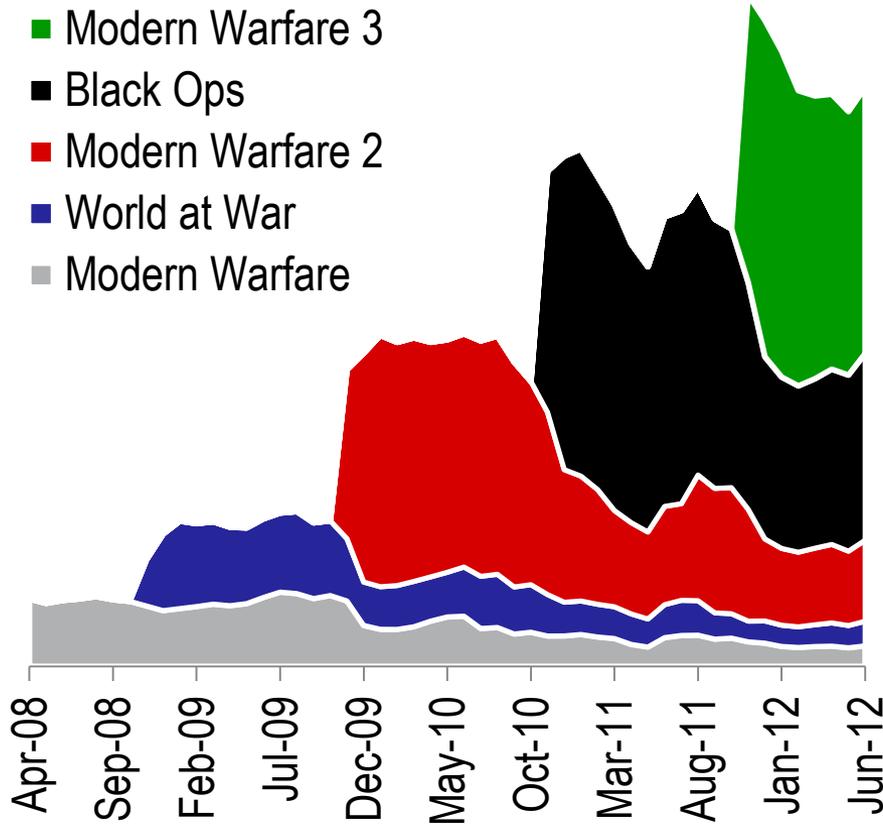
*Top 5 titles combined in North America and Europe, including toys and accessories, at retail only. **Source: NPD, Chart-Track, GfK, Activision Blizzard estimates

Top Titles' Digital Sales are Additive to Growth at Retail

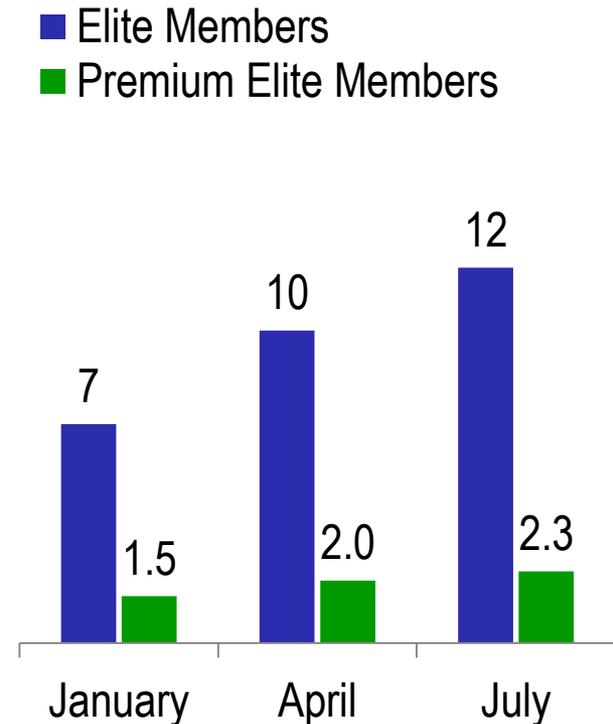
Call of Duty Engagement Remains Strong

Over 12M Elite Members, including over 2.3M Premium Members

Call of Duty Monthly Active Users



Call of Duty Elite Members, Millions



Strong Skylanders Franchise Momentum

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

Targets both Toys and Video Games

- Toys: \$80B+ Worldwide*
- Video Games: \$55B+ Worldwide**



- #1 video game at retail through June 30, 2012***



- Strong momentum and high awareness
- To launch October 19th
- Over 50% larger retail presence than Skylanders Spyro's Adventure

Skylanders Giants:

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



*Source: NPD, ** Excluding Japan, Source: PwC 2012 Global Media and Entertainment Outlook, ***Source: Activision Blizzard internal estimates, includes PC, Mac, Console and Handheld platforms.

Activision Publishing Pipeline

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



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 Chinese online game market



Building on awareness and momentum with new Light Core and Giants figures, new game powers and strong retail support



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

Blizzard Entertainment Highlights

Best ever quarter; Working hard on exciting pipeline of new games



Diablo III

- To date, more than 10 million copies have been sold, including 1.2 million through the WoW Annual Pass



World of Warcraft: Mists of Pandaria

- Launches September 25th with new areas, player races, character classes, dungeons, and gameplay modes
- Digital Deluxe edition



StarCraft II: Heart of the Swarm

- Arcade launched
- Multiplayer at Gamescom
- Beta coming soon

eSports

- StarCraft II World Championship series in 28 different countries
- Battle.net World Championship in Shanghai this November

Large and Innovative Pipeline

- Mists of Pandaria and Heart of the Swarm on the way
- Work continues on Blizzard All-Stars and unannounced MMO

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 six months ended June 30, 2012, please refer to the Company's earnings release dated August 2, 2012, which is available on our website,

www.activisionblizzard.com.

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August 2, 2012

*The reconciliation tables are in the earnings release and on www.activisionblizzard.com along with the replay webcast.

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