



Third Quarter CY 2011 Results

November 8, 2011

Safe Harbor Disclosure



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, 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 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 8, 2011, or to reflect the occurrence of unanticipated events.

Activision Blizzard 3Q Highlights



- **Results ahead of expectations¹, led by digital revenues**
 - Record Q3 digital revenues
 - Record YTD digital revenues, up more than 16% year-over-year

- **Raising our full-year 2011 outlook for Revenue and EPS**
 - 2011 EPS up more than 20% since first guidance²:
 - \$0.76 GAAP EPS, \$0.85 Non-GAAP EPS
 - Now on track for record EPS in a year without a Blizzard launch

- **Outstanding execution drives expanding profitability**
 - Established new year to date records for operating margin and EPS:
 - 39% YTD GAAP operating margin, 23% YTD Non-GAAP operating margin
 - 62% YTD GAAP EPS growth, 15% YTD Non-GAAP EPS growth
 - Trailing Twelve Month³ Free Cash Flow remains in excess of \$1.0B

- **Well-positioned for profitable growth in 2012 and beyond**
 - Strong pipeline including:
 - Blizzard: Diablo III, World of Warcraft: Mists of Pandaria, StarCraft II: Heart of the Swarm, Blizzard DOTA, Blizzard's next MMO
 - Activision Publishing: Skylanders, Call of Duty, Call of Duty China, Bungie's New Universe

¹ Prior outlook provided on 08/03/11, ² First CY2011 outlook provided on 02/09/11, ³ Trailing Twelve Months (TTM) represents the sum of four prior quarters.

Another quarter of stronger-than-expected performance

Activision Blizzard 3Q 2011 Results



GAAP	3Q 2010	Prior Outlook ¹	3Q 2011
Net Revenues	\$745M	\$650M	\$754M
EPS	\$0.04	\$0.05	\$0.13
Non-GAAP ²	3Q 2010	Prior Outlook ¹	3Q 2011
Net Revenues	\$857M	\$530M	\$627M
EPS	\$0.12	\$0.01	\$0.07
		As of 6/30/11	As of 9/30/11
Cash & Investments		\$3.0B	\$2.9B
Total Purchases Under 2011 \$1.5 Billion Share Repurchase Program ³			\$0.5B

¹ Prior outlook provided on 8/3/11

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

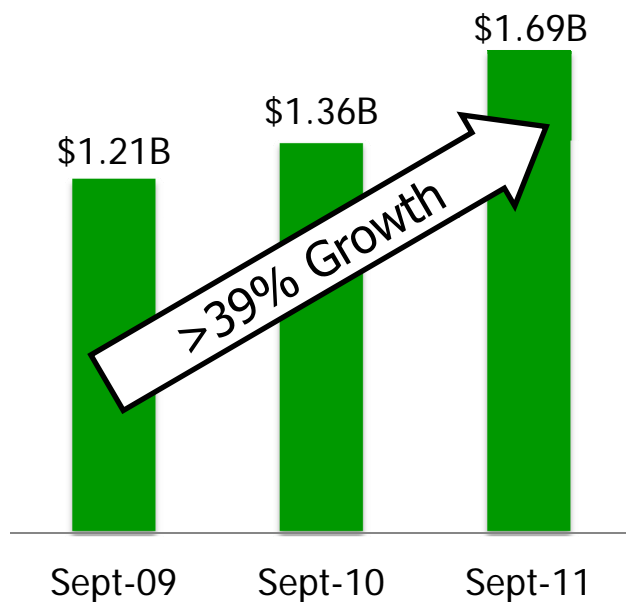
³ Current share repurchase program initiated on 2/9/11

Stronger-than-expected performance driven by online-enabled franchises

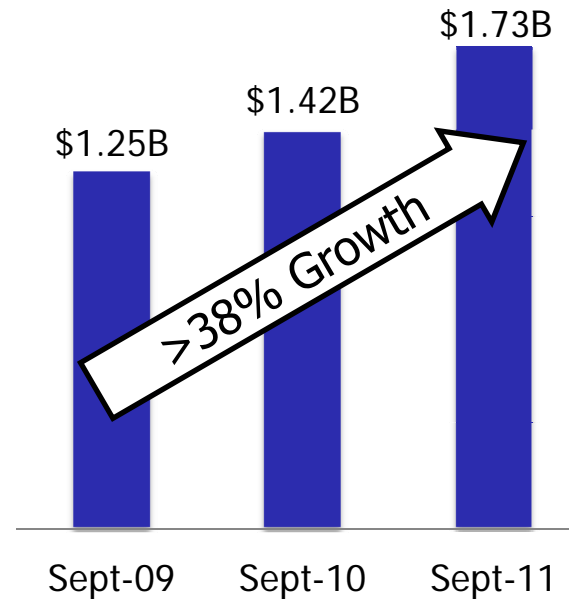
Digital Revenues Growth



GAAP Digital Revenues, TTM*



Non-GAAP Digital Revenues, TTM*



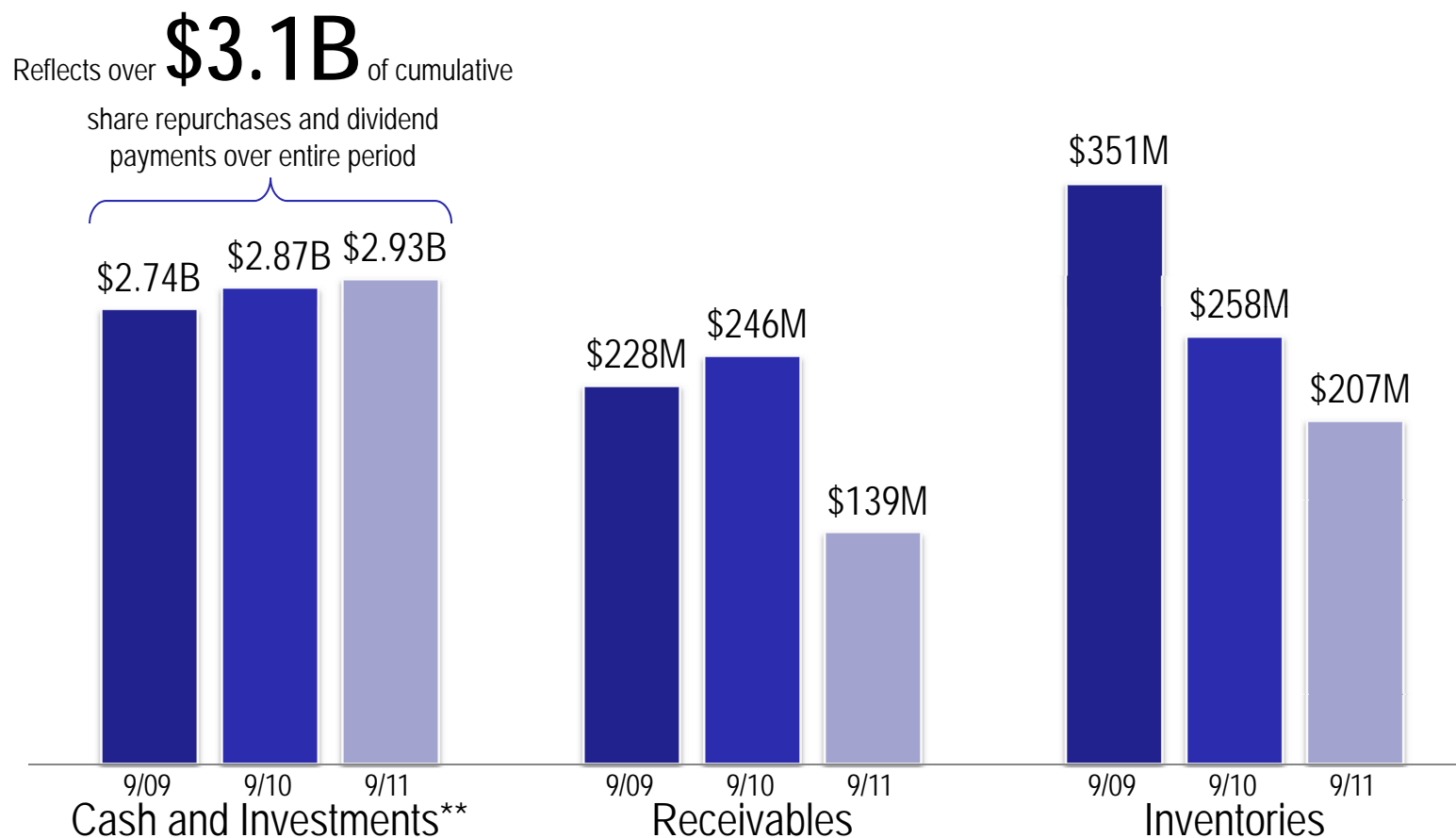
	Sept-09	Sept-10	Sept-11
Total Company GAAP Operating Margin*:	5.9%	9.5%	19.0%

	Sept-09	Sept-10	Sept-11
Total Company Non-GAAP Operating Margin*:	21.5%	28.5%	29.6%

* Trailing Twelve Months (TTM) represents the sum of four prior quarters ending 9/30/09, 9/30/10 and 9/30/11.

Digital growth drives operating margin expansion

Cash, Receivables and Inventories*



* Cash and investments in billions, Receivables/Inventories in millions

**Includes short-term and long-term investments

Transition to digital drives working capital improvements

2011 Operating Margin Initiatives



Strong Digital Performance

Revenues from Digital¹ channels up over prior year:

- \$1.69B TTM² GAAP revenues up 24%
- \$1.73B TTM² non-GAAP revenues up 22%

Digital¹ revenue growth led by Call of Duty's expanding:

- Online content
- Multiplayer community
- Installed base of HD online enabled hardware

Strong Profitability at Activision Publishing

Record year to date operating income:

- YTD non-GAAP operating margin up 1380 bps
- Now tracking towards record 26%+ 2011 non-GAAP operating margins

Continued Digital Investment Drives Pipeline

Activision Publishing:

- Call of Duty
- Call of Duty Elite digital platform
- Call of Duty micro-transaction game in China
- Bungie Universe
- Skylanders Web World

Blizzard Entertainment:

- World of Warcraft
- StarCraft II
- New MMO
- Diablo III with real money auction house
- Battle.net / Blizzard Arcade
- Blizzard DOTA

¹ Digital includes revenues from subscriptions and licensing royalties, value added services, downloadable content, digitally distributed products, and wireless devices.

² Trailing Twelve Months (TTM) represents the sum of four prior quarters.

Aggressively investing to drive growth

Financial Outlook¹, as of 11/8/11



	4Q 2011		2011	
	GAAP	Non-GAAP	GAAP	Non-GAAP
Net Revenues	\$980M	\$2.17B	\$4.33B	\$4.25B
COGS (Prod/MMOG)	27%	26%	25%	28%
Operating Expense, incl. Royalties	86%	34%	48%	41%
Operating Margin	(13%)	40%	27%	31%
Tax Rate	24%	27%	25%	26%
EPS	(\$0.08)	\$0.55	\$0.76	\$0.85
Diluted Share Count ²	1.2B ³	1.2B	1.2B	1.2B

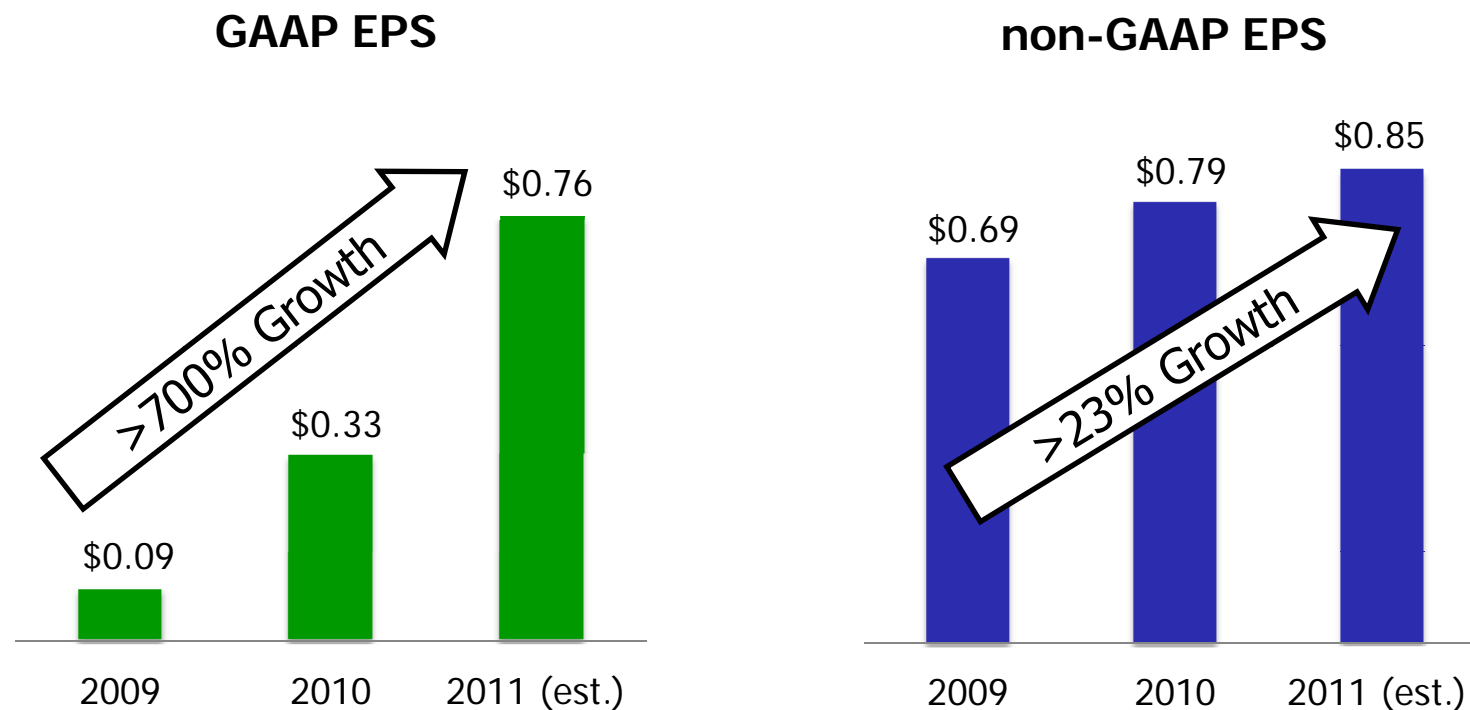
¹ 2011 full-year guidance does not include a major title release from Blizzard Entertainment

² Approximate

³ Basic share count

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 2010 Annual Report on Form 10-K) actual results may deviate materially from the outlook presented above.

Earnings Per Share^{1,2}



¹ FY 2011 outlook is provided as of 11/8/11

² 2011 full-year guidance does not include a major title release from Blizzard Entertainment

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Pipeline Highlights



	Major Projects and Platforms	New Opportunities and Innovation	
Proven	Diablo III and Expansion Pack	Real Money Auction House	Mobile and Social
	StarCraft II Expansion Packs (2)	Blizzard Arcade / Map Marketplace	
	World of Warcraft Expansion Packs (2)	Value Added Services, New Geographies	
	Call of Duty Digital	Elite, China Micro-Transaction Game	
	Bungie (Xbox)	Multi-Platform	
New	Skylanders	WebWorld	
	New Blizzard MMO	To be announced	

Multiple potential blockbusters

N. American, European Installed Base



	12/31/10 Installed Base (M)	Estimated CY2011 Increase (M)	Estimated 12/31/11 Installed Base (M)	<i>Estimated Growth Y/Y</i>
Xbox 360	43	10	53	
PlayStation 3	31	8	39	
HD-Consoles	74	18	92	24%
Wii + Handhelds	194	25	219	
Total	268	44	312	16%

Source: Activision Blizzard internal estimates; NPD, Charttrack, GfK
 Rows/Columns may not tie exactly due to rounding

Hardware at all time highs + Digital expected to grow double digits

Activision Publishing Highlights



- **Call of Duty: Black Ops** has been the #1 best-selling title in dollars in aggregate across all platforms in the U.S. and Europe for each of the first three quarters of 2011*
- YTD Call of Duty map pack revenues ranked among top 3 retail titles**
- **Skylanders Spyro's Adventure** is tracking ahead of expectations
 - Millions of toys sold through to date
- **Modern Warfare 3** pre-orders significantly ahead of prior year**
 - Our biggest launch ever, the most pre-ordered game of all time

*In the U.S. and Europe, in \$'s across 360, PS3 and PC, according to NPD, GFK/Charttrack

**Company estimates

Strength in all consumer metrics heading into holiday season

Blizzard Entertainment Highlights



World of Warcraft

- Largest content update since Cataclysm, launching in coming weeks
- Launching in Brazil, a top-10 Internet market, on December 6, 2011
- Fourth expansion pack, *Mists of Pandaria*, announced at BlizzCon
- Strong interest in Annual Pass, providing *Diablo III* free with a 1-year commitment

StarCraft II

- #1 PC-game sku in North America and Europe through Sept. 30, 2011
- Hard at work on *Heart of the Swarm*, 1M+ views for recent trailer on YouTube
- Positive press response to the new version of *Blizzard DOTA* shown at BlizzCon

Diablo III

- Strong critical and player response at BlizzCon
- Currently in beta phase
- Testing real money systems soon

Large and Innovative Pipeline

- Hard at work on the pipeline including our yet to be announced MMO and other properties

Working hard on exciting pipeline of new games

Use of Non-GAAP Measures



In order to supplement the Company's financial measures that are presented in accordance with GAAP, Activision Blizzard presents certain non-GAAP measures of financial performance. The presentation of these non-GAAP financial measures is not intended to be considered in isolation from, as a substitute for, or superior to, 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.

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 items from the measures by considering the impact of the items separately and by considering Activision Blizzard's GAAP, as well as non-GAAP results and outlook, and, in this presentation, by presenting the most comparable GAAP measures directly ahead of non-GAAP measures and providing a reference to a reconciliation that indicates and describes the adjustments made.

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 quarter ended September 30, 2011, please refer to the Company's earnings release dated November 8, 2011, which is available on our website, www.activisionblizzard.com.

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