

ACTIVISION

BLIZZARD™

First Quarter 2013 Results

May 8, 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. 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, particularly during the expected 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, 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, as amended, 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, May 8, 2013, or to reflect the occurrence of unanticipated events.

Activision Blizzard Q1 2013 Results Summary

Better-than-expected performance driven by innovation and quality

	Q1 2012	Original Q1 2013 Outlook ¹	Q1 2013	Yr./Yr.
GAAP Net Revenues	\$1,172M	\$1,160M	\$1,324M	13%
GAAP EPS	\$0.33	\$0.29	\$0.40	21%
Non-GAAP ² Net Revenues	\$587M	\$690M	\$804M	37%
Non-GAAP ² EPS	\$0.06	\$0.10	\$0.17	183%
Operating Cash Flow	\$153M		\$325M	112%
Capital Expenditures	\$9M		\$17M	89%
Free Cash Flow ³	\$144M		\$308M	114%

	As of 12/31/12	As of 3/31/13	Qtr./Qtr.
Cash & Investments ⁴	\$4.4B	\$4.6B	6%
Cash & Investments per Share ⁴	Approx. \$3.69	Approx. \$3.89	5%

¹ Original Q1 2013 outlook provided on 2/7/2013

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

³ Non-GAAP free cash flow represents operating cash flow minus capital expenditures.

⁴ Includes short- and long-term investments. When calculating cash and investments per diluted share, uses share count of 1.189B, which includes outstanding common shares, participating securities (unvested restricted stock units rights, restricted stock awards, and performance shares), and all options to acquire shares of common stock as of March 31, 2013 and December 31, 2012.

Activision Blizzard Q1 2013 Highlights

Better-than-expected performance driven by innovation and quality

- **Solid financial performance:**

- Non-GAAP¹ Revenues of \$804M
- Non-GAAP¹ Operating Margin of 31%
- Non-GAAP¹ EPS of \$0.17
- Cash Flow of \$325M

- **Outstanding product performance²:**

- Skylanders: the #1 franchise in both N. America and Europe YTD
- Call of Duty: the #2 franchise in N. America and Europe combined YTD
- Call of Duty Black Ops II outsold Call of Duty Modern Warfare 3 in Retail and Digital
 - Call of Duty Digital Revenue increased year-over-year
- StarCraft II: Heart of the Swarm: #1 PC title YTD

- **Investing for the future:**

- Activision Publishing: Call of Duty; Skylanders; Bungie's Destiny; Call of Duty Online
- Blizzard Entertainment: World of Warcraft; Diablo III; Blizzard All-Stars; new MMO

Key Priorities

Focused on our largest and highest margin opportunities

Activision Publishing

2013:

Call of Duty Ghosts, Black Ops II DLC,
Skylanders SWAP Force

Long-Term:

Development of Bungie's Destiny
and Call of Duty Online

Blizzard Entertainment

2013:

New content for World of Warcraft,
Hearthstone Beta, Diablo III for PS3

Long-Term:

Blizzard All-Stars
and New Unannounced MMO

Investment

New IP, New Territories, New Platforms, New Partners and New Business Models

Financial Outlook, as of May 8, 2013

	2013		Q2 2013	
	GAAP	Non-GAAP*	GAAP	Non-GAAP*
Net Revenues	\$4,220M	\$4,250M	\$980M	\$590M
COGS (Prod/Online)	24%	26%	27%	27%
Operating Expense, incl. Royalties	49%	44%	40%	60%
Operating Margin, may not foot due to rounding	27%	30%	33%	13%
Tax Rate	26%	27%	26%	27%
EPS**	\$0.73	\$0.82	\$0.21	\$0.05
Diluted Shares, including participating securities	1.15B	1.15B	1.15B	1.15B

The company's second quarter and full year 2013 outlooks do not include the potential impacts of any potential non-ordinary course transactions or related financings. 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, and our other SEC filings) actual results may deviate materially from the outlook presented above.

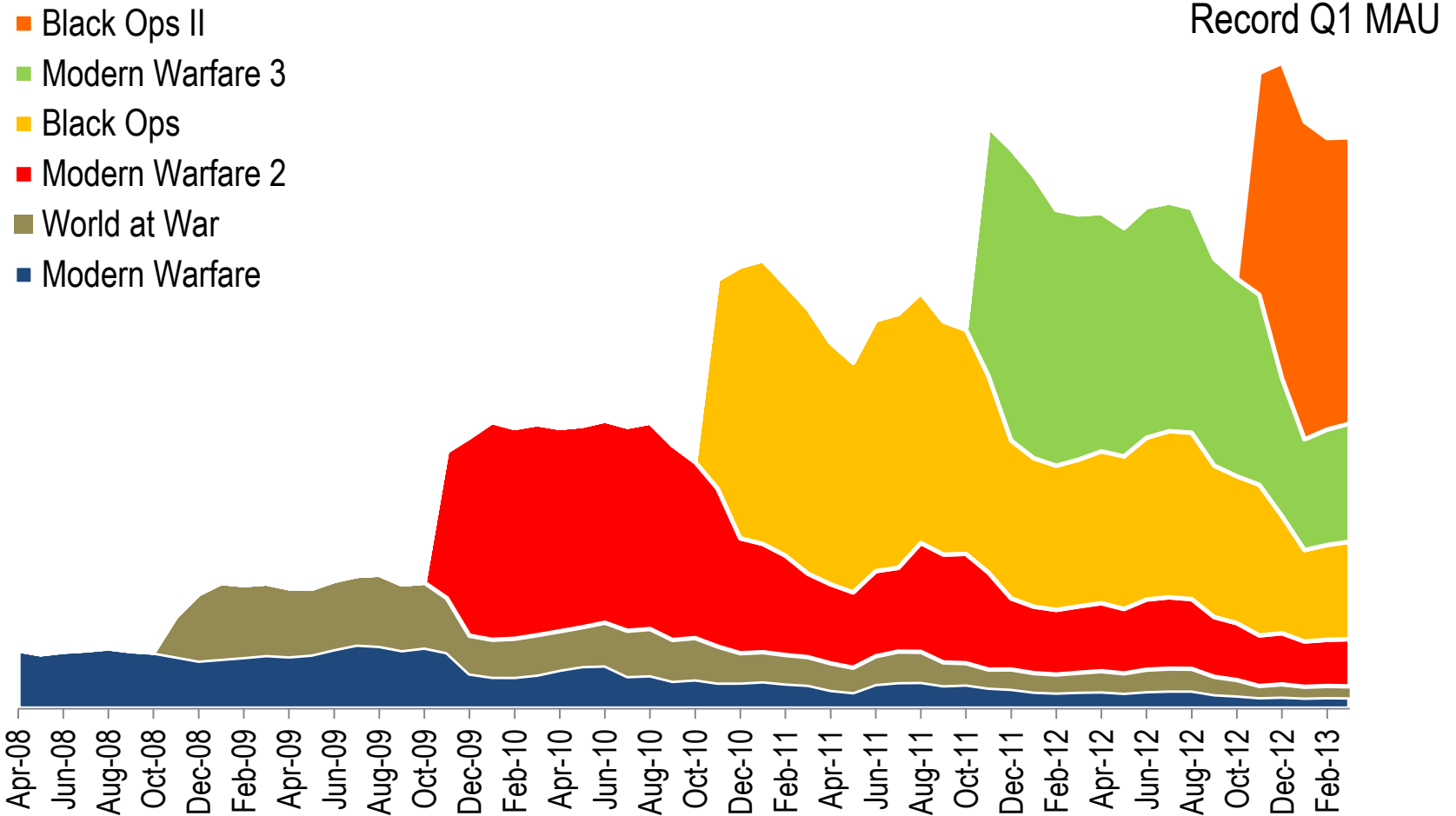


* Non-GAAP information reconciliation tables in the appendix of the earnings release, which is available on www.activisionblizzard.com.

** Based on information provided above EPS calculations may not foot due to rounding.

Call of Duty Online Engagement

Record Q1 Monthly Active Users (MAU)¹



Skylanders SWAP Force

Innovation continues with a great new game for 2013



Skylanders franchise:

- #1 franchise in NA and Europe YTD¹
- Revenues >\$1B thru 2012

SWAP Force™, our 2013 game:

- All figures sold to date are playable in the new game
- Our largest collection of figures yet, including:
 - 16 new SWAP Skylanders figures with 256 possible SWAPABILITIES
- To launch this fall, building on the momentum of Giants, with over 130 licensed partners



Activision Publishing Highlights & Pipeline

Solid Q1; Strong Non-GAAP* Revenues, Operating Margin; Strong Digital Revenues



Outsold Modern Warfare 3 at Retail in Q1; Strong digital performance.



To launch 11/5/13. Planning to share more at Xbox reveal on 5/21/13.



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



All new game. 16 SWAP Skylanders figures offer 256 dynamically swappable attack and movement SWAPABILITIES. All toys sold to date are playable in SWAP Force™.

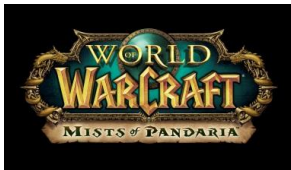


Making progress on Destiny, Bungie's new shared-world action game. Solid pre-orders for a new IP.

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

Blizzard Entertainment Highlights

Launched StarCraft II: Heart of the Swarm in Q1, the #1 PC title*



World of Warcraft: Mists of Pandaria

- Approximately 8.3M subscribers as of 3/31/13
- Continued content updates to maintain engagement



Diablo III

- PS3 and PS4 versions announced
- PS3 version debuted at PAX East; coming in 2013



StarCraft II: Heart of the Swarm

- 1.1M sold-through as of first two days on the market



Hearthstone: Heroes of Warcraft

- New free-to-play, collectible card game for Windows, Mac, and iPad
- Public beta this summer

Large and Innovative Pipeline

- Hearthstone and D3 for console bring Blizzard to new platforms
- Blizzard All-Stars, new MMO in development

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;
- 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, 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 months ended March 31, 2013, please refer to the Company's earnings release dated May 8, 2013, which is available on our website, www.activisionblizzard.com.

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2013 First Quarter Results: Q&A

May 8, 2013