



FISCAL 2001 THIRD QUARTER FINANCIAL RESULTS

ACTIVISION'S THIRD QUARTER FISCAL YEAR 2001 RESULTS EXCEED ANALYST EXPECTATIONS

Record Year to Date Net Revenues and Earnings Company Raises Full Year EPS Guidance 17.5%

Santa Monica, CA - February 1, 2001 - Activision, Inc. (Nasdaq: ATVI) today announced financial results for the third fiscal quarter ended December 31, 2000.

Net revenues for the third fiscal quarter were \$264.5 million as compared to \$268.9 million for the third quarter of the last fiscal year. Net income was \$20.5 million, or \$0.70 per diluted share, compared with a net income of \$22.3 million, or \$0.75 per diluted share, for the comparable period last year.

Net revenues for the nine-month period increased to \$493.4 million from \$468.4 million as reported for the nine-month period last fiscal year and were the highest in the company's history. For the first nine months of fiscal 2001, the company reported net income of \$19.6 million, or \$.75 per diluted share, compared to a net income of \$18.8 million, or \$.71 per diluted share for last fiscal year's comparable period.

Robert Kotick, Co-Chairman and CEO of Activision, Inc., stated, "Our financial performance for the quarter was better than expected with our results exceeding First Call consensus earnings estimates by \$.10. Based on our performance, we are raising our full-year earnings per share guidance by \$0.11 or 17.5% and increasing our net revenue projections by \$48 million or 9%. Sony's shortfall of PlayStation 2 systems has had no impact on our business model, as our conservative planning assumptions were based on having approximately 1 to 1.5 million systems available in the U.S. during the holiday season. Our first two PlayStation 2 titles, Sky Odyssey and Orphen have performed to expectations and we currently have 17 other PlayStation 2 titles in various stages of development and production."

During the quarter, Activision released 12 new products on six different platforms. Key titles released were Tony Hawk's Pro Skater 2 for the PC, Dreamcast and Game Boy Color, Disney/Pixar's Buzz Lightyear of Star Command for the PlayStation®, Dreamcast and Game Boy Color, Disney's The Lion King: Simba's Mighty Adventure and Blade for the PlayStation game console and Game Boy Color, Spider-Man™ for the Nintendo 64, Call to Power 2 for the PC, Disney's 102 Dalmatians: Puppie to the Rescue, Walt Disney World's® Quest Magical Racing Tour™, X-MEN: Mutant Wars and Road Champs BXS for the Game Boy Color and Sky Odyssey and Orphen: Scion of Sorcery for the PlayStation 2 computer entertainment system.

Activision was the #3 U.S. console publisher for the quarter following Nintendo of America and Electronic Arts, according to NPD's TRSTS Data. The company ranked as the #2 U.S. independent console software publisher and the #4 software publisher overall for calendar 2000. Activision's dollar share increased 100% year over year and it was the only U.S. console publisher to show triple digit growth for the year.

In addition to strong domestic sales, Activision continues to see strong international market momentum. Tony Hawk's Pro Skater 2, Spider-Man, Tenchu: Birth of the Stealth Assassins, Blade, Star Trek®: Voyager Elite Force™, Star Trek® Armada™, Disney/Pixar's Toy Story 2 and Disney's Tarzan continue to perform well worldwide.

Kotick added, "Activision is committed to having an early presence on all of the upcoming hardware platforms and will continue to leverage our strong brands and multi-platform strategy to take advantage of the opportunities in the new console era. We are optimistic that our market momentum will continue as the result of our recently released games and upcoming releases including Star Trek® Away Team and Cabela's Off Road Adventure for the PC, and Disney/Pixar's Toy Story Racer for the PlayStation and Game Boy Color."

Headquartered in Santa Monica, California, Activision, Inc. is a leading worldwide developer, publisher and distributor of interactive entertainment and leisure products. Founded in 1979, Activision posted net revenues of \$572 million for the fiscal year ended March 31, 2000. Activision maintains operations in the US, Canada, the United Kingdom, France, Germany, Japan, Australia and the Netherlands. More information about Activision and its products can be found on the company's World Wide Web site, which is located at <http://www.activision.com>.

Note: The statements made in this press release that are not historical facts are forward-looking statements. Although the company believes that its plans, intentions and expectations reflected in such forward-looking statements are reasonable, a number of important factors could cause our actual future results to differ materially from those expressed in any such forward-

looking statements.

Such factors include, without limitation, product delays, retail acceptance of the our products, industry competition, rapid changes in technology and industry standards, protection of proprietary rights, maintenance of relationships with key personnel and vendors and third party developers, international economic and political conditions, integration of recently acquired subsidiaries and identification of suitable future acquisition opportunities.

These important factors and other factors that potentially could affect the company's financial results are described in our filings with the Security and Exchange Commission, including the company's most recent Annual Report on Form 10-K and the Quarterly Reports on Form 10-Q.

[Download the Q3 2001 Financial Tables \(PDF\)](#)

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