



FISCAL 2001 SECOND QUARTER FINANCIAL RESULTS

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

Net Revenues Increase 25%
Operating Income Rose 170%
Earnings Per Share Grew 325%

Santa Monica, CA - October 23, 2000 - Activision, Inc. (Nasdaq: ATVI) today announced record financial results for the second fiscal quarter ended September 30, 2000.

Net revenues for the second fiscal quarter increased to \$144.4 million from \$115.4 million for the second quarter of the last fiscal year. Operating income rose 170% to \$9.5 million, as compared with \$3.5 million for the same period last year. Net income grew to \$4.3 million, or \$0.17 diluted per share, compared with a net income of \$1.1 million, or \$0.04 diluted per share, for the comparable period last year.

Activision's results for the quarter were driven by the successful launches of Tony Hawk's Pro Skater 2, Spider-Man™, Tenchu 2: Birth of the Stealth Assassins, X-Men™ Mutant Academy and Star Trek® Invasion for the PlayStation® game console, X-Men Mutant Academy and Spider-Man for the Game Boy® Color and Star Trek: Voyager® Elite Force™, Cabela's Big Game Hunt® IV and Cabela's Grand Slam Hunting for the PC.

Tony Hawk's Pro Skater 2 for the PlayStation game console has remained the #1 best-selling U.S. PlayStation game since its launch on September 19, 2000, according to NPD's TRSTS Data. Activision has shipped more than one million units of the game worldwide, making it one of the largest launches in the company's history. In addition, the first game, Tony Hawk's Pro Skater, charted the #3 position on NPD's TRSTS Data for the week of October 8 - 14, 2000, one year following its initial launch in October 1999. NPD TRSTS also reported that Activision ranked as the #2 U.S. independent console software publisher for the quarter.

Activision continues to see strong international market momentum. Tony Hawk's Pro Skater 2 currently is the #1 PlayStation title in Germany, the Netherlands, Sweden, Norway and Spain and the #2 PlayStation title in the United Kingdom. Additionally, Star Trek: Voyager Elite Force, Spider-Man, Tenchu 2: Birth of the Stealth Assassins, and X-Men Mutant Academy are topping retail sell-through charts worldwide.

Robert Kotick, Co-Chairman and CEO of Activision, Inc. stated, "Our performance for the quarter was better than expected with our results exceeding First Call consensus earnings estimates by \$.08 and our net revenues increasing \$29 million over the prior year. Due to our strong performance for the first half of the year, we will be raising our full-year guidance by \$0.07 to \$.63. Our competitive position domestically and internationally remains stronger than ever. We continue to be the fastest growing U.S. console software publisher and the only console publisher to show triple-digit year-over-year growth on a monthly basis in dollars for the last eleven consecutive months, according to NPD TRSTS. Our leadership position on the PC also continues to grow. For the quarter, our U.S. retail PC sell through increased 18% over the prior year, as compared to 9% market growth during the same period, according to NPD TRSTS."

Kotick continued, "With U.S. debut of the PlayStation® 2 just three days away and the upcoming holiday season, we are optimistic about our continued market momentum. We have two titles for the PlayStation 2 for this holiday season - Orphen: Scion of Scorcery and Sky Odyssey and 12 other games in development, including four extreme sports titles. We believe that both Orphen and Sky Odyssey will be leading titles for the new platform. In addition, our holiday slate includes such highly anticipated games as Spider-Man for the Nintendo® 64, 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 and LucasArts' Star Wars® Demolition™ for the PlayStation and Dreamcast."

"Activision is committed to continuing its industry leadership position on all of the upcoming hardware platforms. We have six games in various stages of planning and development for both the Xbox™, Microsoft's future generation games console, and Nintendo's Game Boy™ Advance platform. We believe that our strong brands with market proven performance and our multi platform development strategy should provide us with an advantage in the new console era," Kotick concluded.

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 Q2 2001 Financial Tables \(PDF\)](#)

Bill Chardavoyne
Chief Financial Officer
(310) 255-2229
bchardavoyne@activision.com

Kristin Mulvihill
Sr. Director, Investor Relations
(310) 255-2635
kmulvihill@activision.com

Maryanne Lataif
Vice President, Corporate Communications
Activision, Inc.
(310) 255-2704
mlataif@activision.com