



FISCAL 2001 FOURTH QUARTER FINANCIAL RESULTS

ACTIVISION REPORTS RECORD FISCAL 2001 YEAR END RESULTS

Net Revenue and Net Earnings Highest In Company's History Company Exceeds Analyst Expectations Company Increases FY 2002 Guidance

SANTA MONICA, CA - May 9, 2001 - Activision, Inc. (Nasdaq: ATVI) today announced financial results for the fourth quarter and fiscal year ended March 31, 2001.

Net revenues for the fiscal year ended March 31, 2001 were \$620 million or 8.4% higher, as compared to \$572 million for the fiscal year ended March 31, 2000. Unless otherwise noted, all comparisons include charges incurred in fiscal year 2000 related to the company's restructuring plan. Net income for the fiscal year was \$21 million, or \$0.75 per diluted share, compared with a net loss of \$34 million, or \$1.38 loss per diluted share reported for last year.

Net revenues for the fourth quarter ended March 31, 2001 were a record \$127 million, 22% greater than net revenues of \$104 million that the company reported for the fourth quarter of the last fiscal year. For this fiscal year's fourth quarter, the company reported net income of \$875,000, or \$0.03 per diluted share, compared to net loss of \$53 million or \$2.07 loss per diluted share, for last fiscal year's fourth quarter. The company's fourth quarter 2001 per diluted share results were \$0.02 ahead of the consensus of analyst expectations as reported by First Call.

Activision also announced that the company is increasing its fiscal year 2002 earnings per share guidance by \$0.04 from \$0.76 to \$0.80 and its Fiscal year 2003 earnings per share estimates to \$1.09.

For the 2001 fiscal year, Activision was the fastest growing U.S. publisher. The company's net revenues and earnings per share were the highest in its history. Activision's momentum was fueled by strong demand for its products worldwide which included Tony Hawk's Pro Skater 2, Spider-Man, X-Men: Mutant Academy, Blade, Disney/Pixar's Toy Story Racer, Disney/Pixar's Buzz Lightyear of Star Command, Disney's The Lion King: Simba's Mighty Adventure, Star Trek Voyager Elite Force, Star Trek Armada and Tenchu: Birth of the Stealth Assassins.

For the quarter ended March 31, 2001, Activision continued to have top 10 titles on the PlayStation, Nintendo 64, Game Boy Color and Dreamcast platforms. The company's U.S. console and handheld business increased 27% over the same period last year despite a 3% decline in the overall market. According to NPD's TRSTS Data for the quarter, the company tied Sony Computer Entertainment as the #3 U.S. console and handheld game publisher.

Subsequent to March 31, 2001, Activision announced that the company's calls for redemption resulted in the conversion of approximately \$35 million aggregate principal amount of its 6.75% convertible subordinated notes due 2005. The company has also called for the redemption of an additional \$15 million in aggregate principal amount of its Notes. Activision recently repaid in full the remaining \$8.5 million balance of its three year, \$25 million term loan and renegotiated its revolving credit facility providing it with a more favorable cost structure and increased flexibility in the management of its business and capital structure.

Robert Kotick, Chairman and CEO of Activision, Inc. commented, "Activision achieved record results in fiscal year 2001 despite a challenging software market. Our strong performance underscores the success of our multi-platform and brand strategies, as well as our leadership position on the existing console platforms. To date, our strong results and strong financial position have enabled us to eliminate approximately \$46 million of the company's debt since December 31, 2000."

"We believe that our market momentum combined with our increased investment in product development will enable us to maintain our leadership status on the new console platforms in fiscal 2002 and fiscal 2003. Activision currently has 20 games in various stages of development for the PlayStation®2 computer entertainment system including Tony Hawk's Pro Skater 3, Spider-Man: The Movie, Shaun Palmer's Pro Snowboarder, Mat Hoffman's Pro BMX 2, Bloody Roar 3 and Supercar Street Challenge," Kotick continued.

"As the #1 independent publisher for the Game Boy® Color platform, we are very enthusiastic about the June 11th U.S. release of the Game Boy® Advance. Activision currently has 10 titles in development for the new hand held, three of which are launch titles - Tony Hawk's Pro Skater 2, Bomberman Tournament and Pinobee: Wings of Adventure. Additionally, we have 13 games in development for the Xbox™ from Microsoft, including Tony Hawk's Pro Skater 2X, which will launch simultaneously with the

new platform," Kotick added.

Kotick concluded, "Activision has increased its stable of recognized properties with several recent acquisitions including the rights to make video games based on the hit game show "The Weakest Link". As we look forward to the first quarter of fiscal year 2002, we expect our market momentum will continue behind our recently released games, as well as our solid lineup of new titles which include Bloody Roar 3 for the PlayStation 2 computer entertainment system, Tony Hawk's Pro Skater 2, Bomberman Tournament and Pinobee: Wings of Adventure for the Game Boy Advance, Mat Hoffman's Pro BMX for the PlayStation game console and Game Boy Color, The Simpson's Wrestling and The World's Scariest Police Chases for the PlayStation game console and Spider-Man for the Dreamcast."

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 Q4 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