



FISCAL 2000 FIRST QUARTER FINANCIAL RESULTS

ACTIVISION REPORTS FISCAL 2000 FIRST QUARTER RESULTS

Net Revenues Increase 96%

Activision, Inc. (Nasdaq: ATVI) today announced a net revenue increase of 37% to \$84.1 million for the first fiscal quarter ended June 30, 1999, compared to net revenues of \$61.5 million in the first quarter of last fiscal year. Net loss for the first fiscal quarter was \$4.4 million, or \$0.19 per share, compared with a loss of \$3.7 million, or \$0.17 per share, for the same period last year.

The increase in net revenues was driven by strong growth in the Company's publishing operations with the release of A Bug's Life and Quake II for the Nintendo 64, Heavy Gear II for the PC, Tarzan for the Nintendo Game Boy® Color, and strong sales of catalogue titles such as Cabela's Big Game Hunter II, Quake II for the PC, Vigilante 8, Tenchu and others.

"The year started on a strong note, as we achieved substantial progress towards our strategic goals," said Robert A. Kotick, Chairman and CEO, Activision, Inc. "The acquisitions of Expert Software and Elsinore Multimedia strengthen our position in the rapidly growing mass-market segment of the PC software business. We believe this holiday season will be the greatest ever for sales of entertainment software. With our strongest slate of titles, we are better positioned than ever before to capitalize on our industry's robust fundamentals."

Kotick continued, "We continue to improve the efficiency of our publishing operation by expanding our affiliate label program. This program includes high-quality publishers such as LucasArts and Psygnosis, and we added Fox Interactive during the first quarter. Our distribution business is poised for strong performance by virtue of the record number of new titles being launched by the publishers whose products we distribute. Our competitive position is better than ever with such titles as Toy Story 2, Quake III Arena, Vigilante 8: Second Offense, Tony Hawk's Pro Skater, Blue Stinger for the Sega Dreamcast and the classic Space Invaders."

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 revenues of \$436 million for the fiscal year ended March 31, 1999.

Activision maintains publishing and development operations in the US, Canada, the United Kingdom, France, Germany, Japan and Australia, and distribution subsidiaries in the United Kingdom, Germany, The Netherlands and Belgium. 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: Any reference to the development of products, growth rates, investment or other performance or the continued success of the company's current product offerings constitutes forward-looking information and actual future results may vary materially. There can be no assurance of the rate of growth of the industry or of the company, that the company's products will enjoy continued success or that any products in development will ever be commercially released or that, if released, such products will contribute revenues to the company sufficient to recoup or exceed their development cost. For a discussion of these and other factors that could affect Activision's business and financial results, see information contained in the company's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q on file at the Securities and Exchange Commission.

The statements contained in this release that are not historical facts are "forward-looking statements." The company cautions readers of this press release that a number of important factors could cause Activision's actual future results to differ materially from those expressed in any such forward-looking statements. These important factors, and other factors that could affect Activision, are described in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1997, which was filed with the United States Security and Exchange Commission. Readers of this press release are referred to such filings.

[Download the Q1 2000 Financial Tables \(PDF\)](#)

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