



FISCAL 1999 FIRST QUARTER FINANCIAL RESULTS

ACTIVISION REPORTS FISCAL 1999 FIRST QUARTER RESULTS

Net Revenues Increase 96%

(Nasdaq: ATVI) today announced financial results for the first fiscal quarter ended June 30, 1998.

The Company reported net revenues for the first quarter ended June 30, 1998 of \$51,880,000, compared to net revenues of \$26,514,000 reported for the first quarter last fiscal year. This represents a 96% increase in first quarter net revenues year over year. Net loss for the first fiscal quarter was \$3,804,000, or \$0.19 per share, compared with a net loss of \$5,414,000, or \$0.29 per share, reported for the same period last year.

On June 30, 1998, the Company acquired HeadGames Publishing in a pooling-of-interests merger transaction. Accordingly, net loss per share and weighted average outstanding shares for the quarters ended June 30, 1998 and 1997 include the effect of this transaction.

Robert A. Kotick, Chairman and CEO, commented, "We are pleased with consumer response to our recently released PlayStation game Vigilante 8 and expect that it will be one of our top-selling console games for the year. We believe we have one of the industry's most highly anticipated release slates with titles such as Civilization: Call To Power, Heavy Gear II, Heretic II, Fighter Squadron and Sin for the PC; Quake II, Apocalypse, Tenchu and T'ai Fu for the PlayStation; and Quake II and Nightmare Creatures for the Nintendo 64. We also are very excited about our new version of the blockbuster video game Asteroids for both the PC and PlayStation, as well as our slate of value products from Head Games and strong fundamentals positively affecting our European distribution business. As we move into the fall and holiday season, we believe we are well positioned for leadership on the PC, PlayStation and Nintendo 64 platforms."

Mr. Kotick added, "Looking ahead, we remain committed to focusing our development and publishing resources on market-proven brands. Our aim is to expand our portfolio of franchise properties and deliver a diverse product slate that appeals to both casual game players and core gaming enthusiasts. Our recent agreement with Disney Interactive and our acquisition of Head Games reinforce our commitment to migrate our product offerings toward a broader consumer market, expand the franchises we control and grow our share of the console marketplace."

Headquartered in Santa Monica, California, Activision, Inc. is a leading worldwide developer, publisher and distributor of interactive entertainment software for personal computers and advanced console game systems such as the Sony PlayStation and Nintendo 64. Founded in 1979, Activision posted revenues of \$260 million for the fiscal year ended March 31, 1998.

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 and Germany. 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 1999 Financial Tables \(PDF\)](#)

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