

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) July 22, 2003 (July 22, 2003)  
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ACTIVISION, INC.

-----  
(Exact Name of Registrant as Specified in Charter)

Delaware

0-12699

95-4803544

-----  
(State or Other Jurisdiction  
of Incorporation)

(Commission  
File Number)

(IRS Employer  
Identification No.)

3100 Ocean Park Blvd., Santa Monica, CA

90405

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(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (310) 255-2000  
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N/A

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(Former Name or Former Address, if Changed Since Last Report)

Item 7. Financial Statements, Pro Forma Financial Statements and Exhibits.

(c) Exhibits.

99.1 Press Release of Activision, Inc., dated July 22, 2003.

Item 9. Regulation FD Disclosure.

On July 22, 2003, Activision, Inc. issued a press release announcing its first quarter results. The press release is attached hereto as Exhibit 99.1.

This information is also being furnished pursuant to Item 12 -- Results of Operations and Financial Condition, of Form 8-K and is being presented under Item 9 of Form 8-K in accordance with interim guidance issued by the Securities and Exchange Commission in Release Nos. 33-8216 and 34-47583. This information is not deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 and is not incorporated by reference into any Securities Act registration statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 22, 2003

ACTIVISION, INC.

By: /s/ Ronald Doornink

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Name: Ronald Doornink

Title: President

Contacts: Bill Chardavoyne  
 Chief Financial Officer  
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 Vice President, Investor Relations  
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FOR IMMEDIATE RELEASE

ACTIVISION ANNOUNCES  
 FIRST QUARTER 2004 FINANCIAL RESULTS

Santa Monica, CA - July 22, 2003 - Activision, Inc. (Nasdaq: ATVI) today announced financial results for the first fiscal quarter ended June 30, 2003.

Net revenues were \$158.7 million as compared to net revenues of \$191.3 million reported for the first quarter last fiscal year. Net income for the first fiscal quarter was \$4.2 million or \$0.04 per share, compared with net income of \$20.7 million, or \$0.21 per share, reported for the same period last year.

Robert A. Kotick, Chairman and CEO of Activision, stated, "We were pleased that our results exceed our previously provided outlook. During the quarter, we continued to strengthen our business and financial position. With \$390 million in cash and short-term investments, one of the industry's strongest balance sheets and a strong product development slate, we have entered fiscal year 2004 with a number of competitive advantages."

Business Highlights

Activision's results were driven by strong global consumer response to its products across all platforms. During the quarter, the company released X2 Wolverine's Revenge(TM) for the PlayStation(R) 2 computer entertainment system, Xbox(R) video game system, Nintendo(R) GameCube(TM), Nintendo Game Boy(R) Advance and the PC, id Software's Return to Castle Wolfenstein(TM) and Wakeboarding Unleashed(TM) for the PlayStation 2 computer entertainment system and Xbox video game system, Soldier of Fortune II: Double Helix(TM) for the Xbox video game system, Medieval Total War: Viking Invasion(TM) for the PC and Lost Kingdoms 2(TM) for the Nintendo GameCube. Additionally, Tenchu: Wrath of Heaven(TM) and Spider-Man(TM) continued to experience strong sales around the world.

Other highlights from the quarter include:

- o LucasArts announced its intent to enter into a pan-European publishing and distribution agreement with Activision. This latest agreement strengthens the partnership between the two companies and expands Activision's distribution role for LucasArts' video game console and PC products in Europe.
- o Activision Value Publishing, a division of Activision, Inc., extended its successful partnership with world-renowned outdoors hunting outfitter, Cabela's, Inc. through an exclusive multi-year video game licensing agreement that expires in 2014.
- o Activision signed an exclusive, long-term agreement to publish games developed by Spark Unlimited, a newly formed studio comprised of 28 of the individuals who developed titles in the Medal of Honor(TM) console and PC series, including several of the production leads. Spark will develop three console-based games for Activision that will be released on multiple platforms. The first title, which will be released under the Call of Duty(TM) brand, will be a first-person action game that is slated for release in 2004.
- o id Software(TM) and Activision confirmed that id Software's DOOM 3(TM), one of the most anticipated games, is headed to the Xbox video game system from Microsoft.
- o On June 6, 2003, Activision's three-for-two stock split, which was announced on May 5, 2003, became effective.

Activision provided its outlook for the remainder of fiscal 2004. For the second quarter, the company expects revenues of \$100 million and a loss per share of \$0.13. For the third quarter, it expects revenues of \$360 million and a earning per share of \$0.58. For the fourth quarter, Activision expects revenues of \$131 million and loss per share of \$0.03. For the full fiscal year, the company expects revenues of \$750 million and earnings per share of \$0.47.

Looking ahead, the company is excited by the upcoming holiday season. Releases this fall include Tony Hawk's Underground(TM) and Disney's Extreme Skate Adventure(TM) for the PlayStation 2 computer entertainment system, Xbox video game system, Nintendo Gamecube and Game Boy Advance; True Crime: Streets of L.A.(TM) for the PlayStation 2 computer entertainment system, Xbox video game system and Nintendo GameCube; Cabela's Deer Hunt(TM) for the PlayStation 2 computer entertainment system and Xbox video game system; and LucasArts Entertainment's Star Wars(R) Jedi Knight: Jedi Academy(TM), Call of Duty and Empires: Dawn of the Modern World(TM) for the PC.

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 \$864 million for the fiscal year ended March 31, 2003.

Activision maintains operations in the U.S., Canada, the United Kingdom, France, Germany, Japan, Australia, Scandinavia 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 [www.activision.com](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 our products, industry competition, rapid changes in technology and industry standards, protection of proprietary rights, maintenance of relationships with key personnel, 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 Securities and Exchange Commission, including the company's most recent Annual Report on Form 10 K and Quarterly Reports on Form 10-Q.

(Tables to Follow)

ACTIVISION, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands, except earnings per share data)

Quarter ended	
June 30, 2003	
2002 Restated	
-----	----
<del>Net</del>	
<del>revenues</del> \$	
158,725	\$
<del>191,258</del> Costs	
<del>and expenses:</del>	
<del>Cost of sales</del>	
<del>—product</del>	
<del>costs</del> 76,610	
83,344	Cost
<del>of sales</del>	
<del>software</del>	
<del>royalties and</del>	
<del>amortization</del>	
15,498	15,838
<del>Cost of sales</del>	
<del>—</del>	
<del>intellectual</del>	
<del>property</del>	
<del>licenses</del>	
10,143	12,643
<del>Product</del>	
<del>development</del>	
13,580	11,751

~~Sales and marketing~~  
~~26,285 21,993~~  
~~General and administrative~~  
~~11,463 14,493~~

~~-----~~  
~~Total operating expenses~~  
~~153,579~~  
~~160,062~~  
~~Operating income~~ 5,146  
~~31,196~~  
~~Investment income, net~~  
~~1,257 1,156~~

~~-----~~  
~~Income before provision for income taxes~~  
~~6,403 32,352~~  
~~Provision for income taxes~~  
~~2,240 11,648~~

~~-----~~  
~~Net income~~ \$  
~~4,163~~ \$  
~~20,704~~

~~=====~~  
~~=====~~  
~~Basic earnings per share~~ \$ 0.05  
~~\$ 0.23~~  
~~Weighted average common shares outstanding~~  
~~88,046 90,059~~

~~-----~~  
~~Diluted earnings per share~~ \$ 0.04  
~~\$ 0.21~~  
~~Weighted average common shares outstanding assuming dilution~~  
~~93,770~~  
~~100,125~~

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Share and earnings per share data for the quarter ended June 30, 2002 have been restated to reflect our three-for-two stock split for shareholders of record as of May 16, 2003, paid June 6, 2003.

ACTIVISION, INC. AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (In thousands)

June 30,  
 March 31,  
 2003 2003 --

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ASSETS  
 Current assets:  
 Cash, cash equivalents  
 and short-term  
 investments

~~\$ 389,775~~  
~~406,954~~  
Accounts  
receivable,  
net ~~33,328~~  
15,822  
Inventories  
25,107  
19,577  
Software  
development  
25,768  
26,791  
Intellectual  
property  
licenses  
~~19,229~~ 8,906  
Deferred  
income taxes  
33,475  
~~38,290~~ Other  
current  
assets  
22,324  
10,565

~~—~~ Total  
current  
assets  
549,006  
526,905  
Software  
development  
45,667  
35,281  
Intellectual  
property  
licenses  
26,456  
36,943  
Property and  
equipment,  
net ~~26,358~~  
22,265  
Deferred  
income taxes  
13,696  
~~10,322~~ Other  
assets ~~1,902~~  
5,081  
Goodwill  
67,672  
68,019

~~—~~ Total  
assets \$  
730,757 \$  
704,816

LIABILITIES  
AND  
SHAREHOLDERS'  
EQUITY

Current  
liabilities:  
Current  
portion of  
long term  
debt \$ — \$  
~~147~~ Accounts  
payable  
51,340  
45,602  
Accrued  
expenses  
48,062  
58,656

~~—~~ Total  
current  
liabilities  
99,402



~~revenues~~  
~~\$158,725 100%~~ ~~\$~~  
~~191,258 100%~~  
~~-17%~~  
 Activity/Platform  
 Mix Publishing:  
 Console \$ 88,484  
 77% \$ 114,160  
 75% 22% Hand-  
 held 44,596 4%  
 10,690 7% 57%  
 PC 21,325 19%  
 21,295 18% 25%  


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~~Total~~  
~~publishing~~  
~~\$114,405 72%~~ ~~\$~~  
~~153,145 80%~~ 25%  
 Distribution:  
 Console \$ 35,342  
 80% \$ 30,106 79%  
 17% Hand-held  
 2,912 6% 2,599  
 7% 12% PC 6,066  
 14% 5,408 14%  
 12%  


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~~Total~~  
~~distribution \$~~  
~~44,320 28%~~ ~~\$~~  
~~38,113 20%~~ 16%  


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~~Total net~~  
~~revenues~~  
~~\$158,725 100%~~  
~~\$191,258 100%~~  
~~-17% =====~~  
~~=====~~  
~~=====~~

ACTIVISION, INC. AND SUBSIDIARIES  
 FINANCIAL INFORMATION  
 For the Quarter Ended June 30, 2003 and 2002

	Quarter Ended June 30, 2003 -----	Quarter Ended June 30, 2002 -----
Publishing Net Revenues		
PC	19%	18%
Console	77%	75%
PlayStation 2	37%	35%
Microsoft Xbox	31%	12%
Nintendo GameCube	5%	23%
PlayStation	4%	5%
Hand-held	4%	7%
Game Boy Advance	4%	6%
Game Boy Color	0%	1%
Total publishing net revenues	100% =====	100% =====