



FISCAL 1999 SECOND QUARTER FINANCIAL RESULTS

ACTIVISION REPORTS FISCAL 1999 SECOND QUARTER RESULTS

Activision, Inc. (Nasdaq: ATVI) today announced financial results for the second fiscal quarter ended September 30, 1998.

The Company reported net revenues for the second fiscal quarter ended September 30, 1998 of \$66,182,000, compared to net revenues of \$53,015,000 reported for the second quarter last fiscal year. Net loss for the second fiscal quarter was \$2,234,000, or \$0.10 per share, compared with net income of \$1,837,000, or \$0.08 per share, reported for the same period last year.

The Company reported net revenues for the six month period ended September 30, 1998 of \$118,062,000, compared to net revenues of \$79,529,000 reported for the six month period last fiscal year. Net loss for the six month period was \$6,038,000, or \$0.28 per share, compared with net loss of \$3,577,000, or \$0.17 per share, reported for the same period last year.

Robert A. Kotick, Chairman and CEO, commented, "We are pleased with the strong customer response to our newly released PlayStation products Tenchu and Activision Classics. Both games had very solid launches in the markets where they shipped, and we expect them to continue selling well into the holiday season. We believe that Activision is well positioned for the third fiscal quarter with an exciting and robust product slate that includes Heavy Gear II, Heretic II, Sin, Fighter Squadron and Teen Digital Diva for the PC; Apocalypse and T'ai Fu for the PlayStation; Nightmare Creatures for the N64; and an all-new version of the blockbuster video game Asteroids for both the PC and PlayStation. Complementing this lineup is our strong slate of value-priced PC software titles from Head Games Publishing, which includes Cabela's Big Game Hunter II, the highly anticipated 3D sequel to one of the best-selling outdoor sports games of all time, as well as Remington Top Shot, Remington Upland Game Hunter and Brunswick ProPool 3D. Additionally, we expect that our European distribution companies will benefit greatly from the continuing positive industry fundamentals."

Mr. Kotick added, "Looking toward the fourth fiscal quarter, our product slate will feature some of the industry's strongest brands including Civilization: Call to Power, Jack Nicklaus: Golden Bear Challenge and Interstate '82 for the PC; Civilization II and Quake II for the PlayStation; and Quake II and Vigilante 8 for the N64. Over the past six months, we completed a number of important strategic initiatives which we believe will greatly benefit the company in fiscal 2000 and beyond. These include our recent 10-year alliance with Viacom Consumer Products to develop and publish games based on the Star Trek franchise, as well as our Disney, Marvel and LucasArts transactions."

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, 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 Q2 1999 Financial Tables \(PDF\)](#)

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