



## **Activision Licenses Epic Games' Unreal® Engine 3**

Santa Monica, CA – February 23, 2007 – Activision, Inc. (Nasdaq: ATVI) announced today that it has entered into an agreement to license the Unreal® Engine 3 from Epic Games, Inc., for an upcoming as-yet-unannounced action game.

"The Unreal Engine is one of the most technically advanced engines on the market and is a perfect fit for our upcoming action game," said Laird Malamed, head of production for Activision. "The engine's robust suite of programming tools will enable our development team to deliver what is sure to be an amazing game experience."

"We're extremely excited to be working with Activision" said Mark Rein, vice president of Epic Games, Inc. "We've admired them for a long time and we're pleased that they've chosen to use Unreal Engine 3 and we're confident they're going to make a great game with it."

### **About Unreal Engine 3**

The award-winning Unreal Engine is known for cutting-edge graphics and a best-of-breed toolset. Unreal Engine 3 is expected to maintain those features while adding massive world support, multi-processor support, next-generation console optimizations, and one of the most mature tool pipelines in the industry. Unreal Engine 3's new toolset is designed specifically to accelerate developers' productivity for ultra-complex, next-generation content. Additional information on Unreal Engine can be obtained at [www.unrealtechnology.com](http://www.unrealtechnology.com).

### **About Epic Games**

Epic Games, Inc., based in Cary, NC and established in 1991, develops cutting-edge games and game engine technology for PC and console. The company has created multiple million-selling, award-winning titles in their Unreal® series and their latest game, Gears of War®, broke sales records on Xbox 360 selling more than 3 million copies worldwide in the first ten weeks and awarded overall Game of the Year for 2006 by multiple media outlets including Gamespot and Gamepro. Epic is also responsible for the Unreal Engine, which is the underlying technology for a wide range of games including, Console Game of the Year winner, "Tom Clancy's Splinter Cell™" by Ubi Soft; PC Gamer's Game of the Year, "Deus Ex" from Ion Storm/Eidos; "America's Army: Special Forces," by the United States Army, and "Harry Potter and the Sorcerer's Stone" (PC) by Electronic Arts. Epic's Unreal Engine 3 is the current holder, and three-time consecutive winner, of Game Developer magazine's Front Line award for Best Game Engine. Epic Games was also awarded Studio of the Year at the 2006 Spike TV Video Game Awards and Developer of the Year by Official Xbox Magazine. Additional information about Epic can be obtained through Epic's Web site at <http://www.epicgames.com>.

### **About Activision**

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 \$1.47 billion for the fiscal year ended March 31, 2006.

Activision maintains operations in the U.S., Canada, the United Kingdom, France, Germany, Italy, Japan, Australia, Scandinavia, Spain, the Netherlands and South Korea. 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).

**Cautionary Notes Regarding Forward-Looking Statements:** The statements made in this press release that are not historical facts are "forward-looking statements." These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties. 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. Such factors include, without limitation, the findings of the special sub-committee, the effect of the special sub-committee's review and conclusions on, and other developments in, the informal inquiry opened by the SEC in July 2006 and the derivative litigation filed in July 2006 against certain current and former directors and officers of the company, the possibility that additional claims and proceedings will be commenced, including additional stockholder litigation, employee litigation, and additional actions by the SEC and/or other regulatory agencies, and direct and indirect expenses and diversion of management time resulting from or relating to the special sub-committee review and related regulatory proceedings and litigation, the company's ability to timely file required reports with the SEC, and the possibility that the company will be subject to delisting from The Nasdaq Stock Market due to its inability to timely file periodic reports under the Securities Exchange Act of 1934 or

failure to satisfy other requirements for continued listing. Other factors that could cause Activision's actual future results to differ materially from those expressed in the forward-looking statements set forth in this release include, without limitation, other litigation (unrelated to stock option granting practices), sales of the company's titles, shifts consumer spending trends, the seasonal and cyclical nature of the interactive game market, the company's ability to predict consumer preferences among competing hardware platforms (including next-generation hardware), declines in software pricing, product returns and price protection, product delays, retail acceptance of the company's products, adoption rate of new hardware and related software, 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, natural disasters, integration of recently acquired subsidiaries, and identification of suitable future acquisition opportunities. These important factors and other factors that potentially could cause actual future results to differ materially from current expectations are described in our filings with the SEC, including the company's most recent annual report on Form 10-K, quarterly report on Form 10-Q and current reports on Form 8-K. Readers of this press release are referred to such filings. The forward-looking statements in this press release are based upon information available to the company as of the date of the release, and the company assumes no obligations to update any such forward-looking statement. The company may change its intention, belief or expectation, at any time and without notice, based upon any changes in the enumerated factors or in the company's assumptions, or otherwise, and forward-looking statements believed to be true when made may ultimately prove to be incorrect. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the company's control and may cause our actual results to differ materially from our current expectations.

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