

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 21, 2004 (July 21, 2004)

ACTIVISION, INC.

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(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)

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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 21, 2004.

Item 9. Regulation FD Disclosure.

On July 21, 2004, Activision, Inc. issued a press release announcing its financial results for the fiscal quarter ended June 30, 2004. The press release is attached hereto as Exhibit 99.1.

The information in this Form 8-K and the Exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

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 21, 2004

ACTIVISION, INC.

By: /s/ Ronald Doornink

-----  
Name: Ronald Doornink  
Title: President

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FOR IMMEDIATE RELEASE

ACTIVISION ANNOUNCES RECORD FIRST QUARTER 2005 RESULTS

- Net Revenues Hit Q1 All Time High, Rising 33% Year Over Year -
- Company Increases Q2 and Fiscal 2005 Net Revenues and E.P.S. Outlook -
- FY 2005 Earnings Per Diluted Share Outlook Up 28% Year Over Year -

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Santa Monica, CA - July 21, 2004 - Activision, Inc. (Nasdaq: ATVI) today announced financial results for the first fiscal quarter ended June 30, 2004.

Net revenues were \$211.3 million as compared to net revenues of \$158.7 million reported for the first quarter last fiscal year. Net income for the first fiscal quarter was \$12.0 million, an increase of \$7.8 million, as compared with net income of \$4.2 million for the previous first quarter. Earnings per diluted share were \$0.08, an increase of \$0.05, as compared with \$0.03 per diluted share reported for the same period last year.

Robert A. Kotick, Chairman and CEO of Activision, stated, "In addition to delivering record net revenues for the first quarter, we also significantly increased our earnings. Both Shrek 2(TM) and Spider-Man 2(TM) were top-selling titles, and as of today, the two titles combined have shipped more than five million units. In the past nine months, all five games created by our internal development studios have each shipped more than one million units, with three shipping more than three million units."

(more)

Activision Announces Q1 FY 2005 Results

Kotick continued, "Our focus on big propositions is yielding superb results and we intend to continue leveraging our increasing portfolio of franchises. For the balance of this year and next year, our production strategy centers around developing games based on proven, predictable brands. This strategy should enable us to grow our revenues, earnings and operating margin, and increase our return on invested capital as we have over the past few years. As we look toward the future, Activision will also selectively develop groundbreaking original content, as we did last year with the introductions of True Crime: Streets of L.A.(TM) and Call of Duty(TM)."

Business Highlights

Activision's results were driven by strong global consumer response to its products across all platforms. During the quarter, the company released Shrek 2(TM) and Spider-Man 2(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 and True Crime: Streets of L.A.(TM) for the PC.

Other highlights include:

- o Today, Activision announced that one of its wholly owned studios, Neversoft, the creators behind the Tony Hawk franchise, is in development on a compelling new intellectual property that will bring

Neversoft's world renowned development prowess to a new genre. The unnamed title is slated for release in fiscal 2006, alongside a new game based on the Tony Hawk franchise that Neversoft will also develop for fiscal 2006.

- o According to NPD TRSTS, Spider-Man 2 was the #1 best-selling video game in the U.S. across all platforms for the month of June. Additionally, Shrek 2 was the #1 best-selling title across all platforms for the month of May and the #2 game behind Spider-Man 2 in June.
- o On July 16, Activision Value Publishing, announced a multi-year alliance with Discovery Consumer Products to develop and distribute video games based on the popular television series American Chopper.

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#### Activision Announces Q1 FY 2005 Results

- o On July 14, Activision confirmed that id Software's highly anticipated DOOM 3(TM) for the PC has entered manufacturing and will begin shipping to retail stores worldwide the week of August 2.
- o On July 7, Activision announced that the company's North American Publishing unit has shipped more than two million units of its Spider-Man 2 video game timed to the theatrical release of Sony Pictures Entertainment's Columbia Pictures "Spider-Man(R) 2".
- o On April 8, Activision announced that it had partnered with Nielsen Entertainment to develop a new initiative that will allow video game companies to supply advertisers with audience measurement metrics to help them assess the impact of in-game ad exposure. The new initiative will provide tools for advertisers to effectively measure everything from ad exposure to demographics to audience recall when it comes to video game use.

Activision also increased its outlook for fiscal 2005. For the second quarter, the company expects net revenues of \$254 million and earnings per diluted share of \$0.08. For the third quarter, it expects net revenues of \$515 million and earnings per diluted share of \$0.52. For the fourth quarter, Activision expects net revenues of \$120 million and earnings per diluted share of \$0.01. For the full fiscal year, the company expects net revenues of \$1.10 billion and earnings per diluted share of \$0.69. The company's previous fiscal year outlook was \$1.05 billion in net revenues and earnings per diluted share of \$0.64. The company's revised outlook represents a 16% increase in net revenues and a 28% increase in earnings per diluted share year over year.

Looking ahead to the second quarter, Activision's slate will be driven by Doom 3(TM) and Rome: Total War(TM), two of the most anticipated PC games of the year; Call of Duty: United Offensive(TM), the expansion pack to the best-selling, critically acclaimed PC title Call of Duty; DreamWork's Shark Tale(TM), for the PlayStation 2 computer entertainment system, Xbox video game system, Nintendo GameCube, Nintendo Game Boy Advance and the PC; and X-Men Legends(TM) for the PlayStation 2 computer entertainment system, Xbox video game system and Nintendo GameCube.

Today at 4:30 p.m. EDT, Activision's management will host a conference call and Webcast to discuss its Q1 fiscal year 2005 results and outlook. The company welcomes all members of the financial and media communities to visit the "Investor Relations" area of [www.activision.com](http://www.activision.com) to listen to the conference call via live Webcast or to listen to the call live by dialing into (719) 457-2617 in the U.S.

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#### Activision Announces Q1 FY 2005 Results

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 \$948 million for the fiscal year ended March 31, 2004.

Activision maintains operations in the U.S., Canada, the United Kingdom,

France, Germany, Italy, 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. 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, 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. Readers of this press release are referred to such filings. The company may change its intention, belief or expectation, at any time and without notice, based upon any changes in such factors, in the company's assumptions or otherwise. The company undertakes no obligation to release publicly any revisions to its forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

(Tables to Follow)

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

	Quarter ended June 30,	
	2004	2003
		Restated
Net revenues	\$ 211,276	\$ 158,725
Costs and expenses:		
Cost of sales - product costs	89,088	76,610
Cost of sales - software royalties and amortization	12,283	15,498
Cost of sales - intellectual property licenses	17,648	10,143
Product development	21,105	13,580
Sales and marketing	41,734	26,285
General and administrative	13,685	11,463
Total operating expenses	195,543	153,579
Operating income	15,733	5,146
Investment income, net	2,112	1,257
Income before provision for income taxes	17,845	6,403
Provision for income taxes	5,888	2,240
Net income	\$ 11,957	\$ 4,163
Basic earnings per share	\$ 0.09	\$ 0.03
Weighted average common shares outstanding	137,765	132,069
Diluted earnings per share	\$ 0.08	\$ 0.03
Weighted average common shares outstanding assuming dilution	153,407	140,655

Share and earnings per share data have been restated to reflect our three-for-two stock split for shareholders of record as of February 23, 2004,

paid March 15, 2004.

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

	June 30, 2004	March 31, 2004
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<b>ASSETS</b>		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 539,146	\$ 587,649
Accounts receivable, net	123,048	62,577
Inventories	39,635	26,427
Software development	75,696	58,320
Intellectual property licenses	15,159	32,115
Deferred income taxes	23,497	26,127
Other current assets	21,184	18,660
	-----	-----
Total current assets	837,365	811,875
Software development	21,660	28,386
Intellectual property licenses	17,630	16,380
Property and equipment, net	24,841	25,539
Deferred income taxes	6,666	9,064
Other assets	1,243	1,080
Goodwill	76,436	76,493
	-----	-----
Total assets	\$ 985,841	\$ 968,817
	=====	=====
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	75,558	72,874
Accrued expenses	56,534	63,205
Total current liabilities	132,092	136,079
Shareholders' equity:		
Common stock	-	-
Additional paid-in capital	770,257	758,626
Retained earnings	220,236	208,279
Treasury stock	(144,128)	(144,128)
Accumulated other comprehensive income	7,384	9,961
	-----	-----
Total shareholders' equity	853,749	832,738
	-----	-----
Total liabilities and shareholders' equity	\$ 985,841	\$ 968,817
	=====	=====

ACTIVISION, INC. AND SUBSIDIARIES  
FINANCIAL INFORMATION  
For the Quarter Ended June 30, 2004 and 2003  
(Amounts in thousands)

	Quarter Ended				Percent Increase (Decrease)
	June 30, 2004		June 30, 2003		
	Amount	% of Total	Amount	% of Total	
	-----	-----	-----	-----	
<b>Geographic Revenue Mix</b>					
United States	\$125,191	59%	\$ 82,739	52%	51%
International	86,085	41%	75,986	48%	13%
	-----	-----	-----	-----	-----
Total net revenues	\$211,276	100%	\$158,725	100%	33%

Activity/Platform Mix

Publishing:					
Console	\$119,127	74%	\$ 88,484	77%	35%
Hand-held	18,430	11%	4,596	4%	301%
PC	24,095	15%	21,325	19%	13%
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Total publishing	\$161,652	77%	\$114,405	72%	41%
Distribution:					
Console	\$ 39,194	79%	\$ 35,342	80%	11%
Hand-held	3,655	7%	2,912	6%	26%
PC	6,775	14%	6,066	14%	12%
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Total distribution	\$ 49,624	23%	\$ 44,320	28%	12%
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Total net revenues	\$211,276	100%	\$158,725	100%	33%
	=====	=====	=====	=====	=====

ACTIVISION, INC. AND SUBSIDIARIES  
FINANCIAL INFORMATION  
For the Quarter Ended June 30, 2004 and 2003

	Quarter Ended June 30, 2004	Quarter Ended Jun3 30, 2003
----- Publishing Net Revenues		
PC	15%	19%
-----		
Console	74%	77%
-----		
PlayStation 2	42%	37%
Microsoft Xbox	16%	31%
Nintendo GameCube	15%	5%
PlayStation	1%	4%
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Hand-held	11%	4%
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Game Boy Advance	11%	4%
-----		
Total publishing net revenues	100%	100%
-----	=====	=====