



Activision Expects Record Holiday Sales For Third Quarter Fiscal 2004

Company's Holiday Games Top Worldwide Sell-Thru Charts

Santa Monica, CA - December 18, 2003 - Activision, Inc. (Nasdaq: ATVI) announced today that the company expects record sales for the fiscal 2004 third quarter ending December 31, 2003 driven by the strong market performance worldwide of its top holiday titles **Tony Hawk's Underground**, **True Crime: Streets of L.A.**™ and **Call of Duty**™

According to the November NPD Funworld Report, **True Crime: Streets of L.A.** was the #1 best-selling title in aggregate across all platforms and **Tony Hawk's Underground** was the #4-selling game in aggregate across all platforms in the U.S. Both **True Crime: Streets of L.A.** and **Tony Hawk's Underground** remain top 10 selling titles in aggregate across all platforms in the U.K. for the week ending December 13, according to Chart Track and ranked as top 10 games for the PlayStation 2 in Germany for the week ending December 14, according to Media Control.

Call of Duty, was the #1 best-selling PC game in dollars for the week ending November 29, 2003 according to NPD Techworld's U.S. PC sales report. Additionally, **Call of Duty** ranked as a top-10 PC title in the U.K. for the week ending December 13, according to Chart Track; in Germany for the week ending December 14, according to Media Control; and in France for the week ending December 14, according to GfK.

Based on better than expected consumer response to its holiday slate and the strength of its distribution and value divisions, yesterday Activision raised its net revenue and earnings per diluted share outlook for the third quarter and full fiscal year 2004 and expects record net revenues for both the third quarter and fiscal year.

For the fiscal third quarter ending December 31, 2003, Activision expects record earnings per diluted share of \$0.67 on net revenues of \$480 million, an increase from the company's prior earnings outlook of \$0.45 per diluted share on net revenues of \$390 million. The company's revised third quarter earnings per diluted share outlook takes into account the previously announced pre-tax charge of \$0.16 per diluted share related to product cancellations.

For the fourth quarter, Activision reaffirmed its previous outlook. The company expects net revenues of \$114 million and a loss per share of \$0.05.

For the full fiscal year, Activision expects earnings per diluted share of \$0.56 as compared to its previous outlook of \$0.34 and net revenues of \$870 million, an increase of \$90 million, as compared with its previous outlook of \$780 million. The company's revised full year earnings per diluted share outlook takes into account the previously announced pre-tax charge of \$0.16 per diluted share related to product cancellations.

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, 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.

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 Activision's Annual Report on Form 10-K for the fiscal year ended March 31, 2003, which was filed with the United States Securities and Exchange Commission. Readers of this press release are referred to such filings.