



## FISCAL 1999 FOURTH QUARTER FINANCIAL RESULTS

### ACTIVISION REPORTS RECORD RESULTS FOR FISCAL 1999 YEAR END

**FY 99 Net Income Increases 197%**

**FY 99 Revenue Increases 40%**

Activision, Inc. (Nasdaq: ATVI) today announced financial results for the fourth quarter and fiscal year ended March 31, 1999.

Net revenue for the fiscal year ended March 31, 1999 increased 40% to \$436,485,000, from \$312,058,000 for the fiscal year ended March 31, 1998. Net income for the fiscal year was \$15,254,000, or \$0.66 per share (diluted), compared with a net income of \$5,139,000, or \$0.23 per share (diluted) for last year. This represents a 197% increase in net income for fiscal year 1999 over fiscal year 1998.

Net revenue for the fourth quarter ended March 31, 1999 increased 69% to \$115,235,000, from \$68,123,000 for the fourth quarter of the last fiscal year. For this fiscal year's fourth quarter, the Company reported net income of \$5,210,000, or \$0.22 per share (diluted), compared to net income of \$689,000, or \$0.03 per share (diluted), for last fiscal year's fourth quarter.

Net revenue, net income and earnings per share for the fiscal year ended March 31, 1998 and for the quarter ended June 30, 1998 are restated from previously reported results as a result of acquisitions occurring during the 1998 and 1999 fiscal years that initially were accounted for as immaterial poolings of interest. For the fiscal year ended March 31, 1998, the restatement resulted in an increase in net revenue from \$259,926,000 to \$312,058,000, a decrease in net income from \$5,827,000 to \$5,139,000, and a decrease in earnings per share from \$0.30 to \$0.23. For the fiscal quarter ended June 30, 1998, the restatement resulted in an increase in net revenue from \$51,880,00 to \$61,531,000, a decrease in net loss from \$(3,804,000) to \$(3,744,000), and a decrease in loss per share from \$(0.19) to \$(0.17).

"Our accomplishments were derived from our diverse operating assets, a solid slate of good quality products and fantastic execution by a talented, motivated organization," commented Robert Kotick, Chairman and CEO of Activision, Inc. "The absence of any blockbuster hits validated our strategy to generate strong financial performance through a balanced portfolio of operating assets."

Kotick stated, "We also achieved many of the strategic goals designed to further our industry leadership position in fiscal 2000 and beyond. These goals included:

Migrating the mix of our product offerings to the broader consumer market; Expanding the portfolio of proven franchise properties we own or control; and Continuing expansion of our international publishing and distribution resources."

Mr. Kotick added, "During the year, we broadened our fiscal 2000 product slate with market proven properties and products from LucasArts, Disney, Marvel and Viacom. We entered the fast growing "value" software business through our acquisition of Head Games Publishing. As a result of this transaction, coupled with our pending acquisition of Expert Software, we expect to become a leading market share participant in this broad consumer category."

"Our arrangement with LucasArts, which includes products based on the highly anticipated motion picture release of Star Wars Episode One: The Phantom Menace, as well Indiana Jones and the Infernal Machine, further establishes Activision as a major European presence. Our recent acquisition of CD Contact in the Benelux countries allows us to leverage our publishing slate more effectively in Europe and should help attract new suppliers to our CentreSoft family."

Kotick continued, "Our preliminary slate for fiscal year 2000 should result in substantial year-over-year increases in our publishing opportunities. We are especially excited about the consumer awareness and widespread appeal of our lead titles, including Toy Story 2, Space Invaders, A Bug's Life, Tarzan, X-MEN and several Star Trek titles, as well as many planned sequels including Quake III: Arena, Cabela's Big Game Hunter 3, Dark Reign II and Vigilante 8: Second Offense, many of which will ship simultaneously on more than one platform. We expect to further our leadership position in fiscal 2000 with the strongest product line up in our history. These powerful, market proven titles combined with our predictable operating assets should result in Activision's strongest financial performance to date."

Headquartered in Santa Monica, California, Activision, Inc. is a leading worldwide developer, publisher and distributor of interactive entertainment products. Founded in 1979, Activision posted revenues of \$436 million for the fiscal year ended March 31, 1999.

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 Q4 1999 Financial Tables \(PDF\)](#)