



INSERTING and REPLACING Activision Acquires U.K. Game Developer Bizarre Creations

Activision Enters \$1.4 Billion Racing Genre Market, Representing More than 10% of Worldwide Video Game Market

SANTA MONICA, Calif., Sep 26, 2007 (BUSINESS WIRE) -- Insert to third graph, second sentence of release: which is owned by Microsoft.

The revised sentence reads: The Project Gotham Racing franchise, which is owned by Microsoft, currently has an average game rating of 89%, according to GameRankings.com and has sold more than 4.5 million units in North America and Europe, according to The NPD Group, Charttrack and Gfk.

The corrected release reads:

ACTIVISION ACQUIRES U.K. GAME DEVELOPER BIZARRE CREATIONS

Activision Enters \$1.4 Billion Racing Genre Market, Representing More than 10% of Worldwide Video Game Market

Activision, Inc. (Nasdaq:ATVI) today announced that it has acquired U.K.-based video game developer Bizarre Creations, one of the world's premier video game developers and a leader in the racing category, a \$1.4 billion market that is the fourth most popular video game genre and represents more than 10% of the total video game market worldwide.

This acquisition represents the latest step in Activision's ongoing strategy to enter new genres. Last year, Activision entered the music rhythm genre through its acquisition of RedOctane's Guitar Hero franchise, which is one of the fastest growing franchises in the video game industry.

With more than 10 years' experience in the racing genre, Bizarre Creations is the developer of the innovative multi-million unit franchise Project Gotham Racing, a critically-acclaimed series for the Xbox(R) and Xbox 360(R). The Project Gotham Racing franchise, which is owned by Microsoft, currently has an average game rating of 89%, according to GameRankings.com and has sold more than 4.5 million units in North America and Europe, according to The NPD Group, Charttrack and Gfk.

Bizarre Creations is currently finishing development on the highly-anticipated third-person action game, The Club, for SEGA, which is due to be released early 2008. They are also the creators of the top-selling arcade game series Geometry Wars on Xbox Live Arcade(R).

Bizarre Creations and its games have won numerous industry awards including: Best Racing Game for Project Gotham Racing 2 from the prestigious British Academy of Film and Television Arts (BAFTA); the Industry Grand Prix Award from Develop; MCV's UK Development Team 2006 award; Best Racing/Driving Game from IGN; Game of the Year from OXM and Gamespy for Project Gotham Racing 3; and IGN's Best XBLA Game for Geometry Wars: Retro Evolved.

"Activision continues to grow and drive greater value for our shareholders by broadening our portfolio and entering new gaming categories with strong global appeal," said Robert Kotick, Chairman and CEO of Activision, Inc. "Bizarre Creations is the leading independent developer with a proven track record in developing highly successful and influential original properties, especially in the racing field. They are one of the most innovative and creative studios in the industry, and we are very excited to welcome this talented creative team to Activision."

Mike Griffith, President and CEO of Activision Publishing, Inc., added, "Bizarre Creations will play an important role in our growth strategy as we develop an original new intellectual property for this important racing segment, expand our portfolio in other genres and utilize their proprietary technology for cross platform development."

Martyn Chudley, Managing Director of Bizarre Creations, said, "Our goal at Bizarre Creations has always been to do all we can to nurture our creative and passionate teams, who excel at and enjoy what they do. Activision's independent studio model will continue giving us creative freedom to build exciting new brands. Their financial support and marketing prowess will also enable us to build upon the commercial success that we currently enjoy, and take the company - and our games - to an even higher level."

Under the terms of the acquisition, Bizarre Creations will become a wholly owned subsidiary of Activision and the company's management team and employees continue with the company as their teams start to develop two new AAA titles alongside their

current projects. The 160-person development studio is located in Liverpool, England. Financial terms of the agreement were not disclosed. Activision expects that its first game from Bizarre Creations will be released after fiscal year 2009.

About Bizarre Creations

Bizarre Creations is an independent developer, based in Liverpool, UK. Established in 1994, the company is famed for such high profile franchises as Formula 1, Fur Fighters, Geometry Wars, Project Gotham Racing and The Club. Bizarre prides itself on providing high-quality next-generation gaming experiences that excel in gameplay, graphics, audio and technology. Find them on the web at www.bizarrecreations.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 \$1.5 billion for the fiscal year ended March 31, 2007.

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

Cautionary Note Regarding Forward-Looking Statements: Information in this press release that involves Activision's expectations, plans, intentions or strategies regarding the future are forward-looking statements that are not facts and involve a number of risks and uncertainties. In this release they are identified by references to dates after the date of this release and words such as "will," "will be," "remains," "to be," "plans," "believes," "may," "expects," "intends," and similar expressions. These risks and uncertainties include, but are not limited to, sales of Activision's titles, shifts in consumer spending trends, the seasonal and cyclical nature of the interactive game market, Activision'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 Activision's products, adoption rate and availability 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, customers, vendors and third-party developers, international economic and political conditions, integration of recently acquired subsidiaries and identification of suitable future acquisition opportunities, limitations on our ability to issue stock and options and foreign exchange rate changes. 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, the further implementation, acceptance and effectiveness of the remedial measures recommended or adopted by the special sub-committee of independent directors established in July 2006 to review Activision's historical stock option granting practices, the board and Activision; the outcome of the SEC's formal investigation and the derivative litigation filed in July 2006 against certain current and former directors and officers of Activision relating to Activision's stock option granting practices, the possibility that additional claims and proceedings will be commenced, including additional stockholder litigation, employee litigation, and additional action by the SEC and/or other regulatory agencies, other litigation (unrelated to stock option granting practices), and the risks identified in Activision's most recent annual report on Form 10-K and recent reports on Form 8-K. The forward-looking statements in this release are based upon information available to Activision as of the date of this release, and Activision assumes no obligations to update any such forward-looking statement. 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 our control and may cause actual results to differ materially from our current expectations.

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SOURCE: Activision, Inc.

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