



Activision Establishes Development Foothold in Quebec With Acquisition of Beenox Studios

Quebec Province Recognized as One of the Fastest Growing Development Talent Pools in North America

SANTA MONICA, Calif., May 25, 2005 /PRNewswire-FirstCall via COMTEX/ -- Continuing to expand its roster of premier development talent, Activision, Inc. (Nasdaq: ATVI) today announced that it has acquired game developer Beenox, Inc. The acquisition further bolsters Activision's internal development capabilities by providing it with a foothold in the province of Quebec, one of the fastest growing development talent pools in North America.

Activision has worked with Beenox since 2003 on numerous games including such titles as Shrek 2, Tony Hawk's Underground 2, and its upcoming release, Fantastic Four. Beenox has established itself as a leader in platform conversion technologies that allow for simultaneous multiplatform game development. On March 17, 2005, the studio was honored with the prestigious "Innovative Enterprise of the Year" award at the 22nd edition of the Fideides Awards, organized by the Quebec Business Council.

"We are excited about the talent and experience that Beenox brings to Activision," said Kathy Vrabeck, president of Activision Publishing. "Beenox's extensive porting background will be a key component of our console transition strategy by allowing us to focus our resources on next-generation technologies while continuing to develop games for current-generation systems. Quebec's expanding innovative talent pool will provide Activision with future growth opportunities."

"We are thrilled to partner with Activision and believe that this acquisition is a perfect fit for both companies," added Dee Brown, president and CEO of Beenox. "In particular, it will allow Beenox to continue to develop high-quality titles based on well-established brands."

Under the terms of the agreement, Beenox has become a wholly owned subsidiary of Activision and Beenox's management team and key employees have signed long-term employment contracts with Activision. The 32 person team will continue to be based in Quebec City, Canada.

About Beenox

Founded in 2000, Beenox, Inc. is a rapidly expanding game development studio based in Quebec City, Canada, specializing in creating innovative technology and original games for personal computer platforms and game consoles. In 2002, the Beenox Shift division was created to give another life to hit titles by porting them to additional platforms. Since its founding, the company has delivered over a dozen AAA title ports, including simultaneous releases such as Tony Hawk's Underground 2 for the PC.

About Activision, Inc.

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 \$1.4 billion for the fiscal year ended March 31, 2005.

Activision maintains operations in the U.S., Canada, the United Kingdom, France, Germany, Italy, Japan, Australia, Scandinavia, Spain 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 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 Report 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 any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

SOURCE Activision, Inc.

Maryanne Lataif, Vice President, Corporate Communications of Activision, Inc.,
+1-310-255-2704, mlataif@activision.com; or Francois Taddei of Beenox, Inc.,
+1-418-522-2468, ext. 228, ftaddei@beenox.com

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