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* On the 20th of each month prior to Maturity.

** On the 20th of each month and at Maturity.

The distribution of Notes will conform to the requirements set forth in Rule 2720 of the NASD Conduct Rules.

hat goal but at least 75% of that other operating income goal target is achieved, the payment with respect to that goal may be increased (but not above the maximum payment of 150% of the target bonus payment for that goal) if specified corporate operating income levels are achieved. Payments in respect of non-operating income goals will only be made if the target for that goal is achieved. Payments of up to 120% of the target bonus payment for non-operating income goals can be attained by the achievement of specified levels in excess of that non-operating income goal target. In addition, assuming the non-operating income goal target is achieved, the payment with respect to that goal may be increased (but not above 180% of the target bonus payment for that goal) if specified corporate operating income levels are achieved.

The target bonus opportunity for Mr. Tippl was established at \$399,300, with a maximum bonus opportunity of \$631,620; the target bonus opportunity for Ms. Kaminsky was established at \$404,663, with a maximum bonus opportunity of \$629,066; the target bonus opportunity for Mr. Hodous was established at \$309,375, with a maximum bonus opportunity of 472,500; and the target bonus opportunity for Mr. Rose was established at \$284,625, with a maximum bonus

opportunity of \$465,750. Payments, if any, will be made after the determination of the amount of the awards, which will occur after the end of the Company's 2008 fiscal year (*i.e.*, March 31, 2008). The target and maximum bonus opportunities for each executive officer are subject to adjustment to reflect any salary increase for the executive officer occurring during the remainder of the Company's 2008 fiscal year.

Mr. Tippl's bonus is dependent on the achievement of various operating income targets, including corporate operating income and operating income for the European publishing unit, completing the filing of certain information with the Securities and Exchange Commission, execution of a comprehensive international audit plan and tax restructuring, and building and acquiring new businesses, studios and intellectual property.

Ms. Kaminsky's bonus is dependent on the achievement of various operating income targets, including corporate operating income and operating income for the RedOctane publishing unit, delivery of portfolio product lines and platforms, the achievement of business franchise targets and improvements in the quality of games.

Mr. Hodous's bonus is dependent on the achievement of various operating income targets, including corporate operating income and operating income for the RedOctane publishing unit, the European publishing unit and a combination of specified portfolio product lines, development of certain product lines, achievement of supply chain savings, and achievement of market share growth in strategic geographic areas.

Mr. Rose's bonus is dependent on the achievement of corporate operating income targets, reductions in the voluntary turnover rate, reductions in spending for outside legal services and the establishment of education and training programs focused on governance and compliance.

SIGNATURE

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 17, 2007

ACTIVISION, INC.

By:

/s/ Thomas Tippl
Thomas Tippl
Chief Financial Officer of
Activision Publishing, Inc.
(Principal Financial and Accounting
Officer of Activision, Inc.)