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April 25, 1986

James T. Williams, Esq.  
Neuman, Williams, Anderson  
& Olson  
77 West Washington Street  
Chicago, Illinois 60602

Re: Magnavox v. Activision

Dear Jim:

Below you will find data you requested reflecting net unit sales and/or net revenue (taking returns into account) for Activision fiscal years 1985 and 1986 as well as updated information for 1984. The data relates, of course, to the eleven cartridges at issue in the litigation. A great deal of digging has been necessary to compile the information as it has never been organized in the form you need it for reasonable royalty calculations. In addition, the Activision employee who compiled the original data reflected in my September 5, 1984 letter is no longer employed by the company, so there could be some inconsistency in methodology. If necessary after resolution of the appeal, we will examine further all calculations to insure their accuracy.

As you will note from review of the figures set out below, the net 1984-86 effect of sales of the 11 cartridges is "negative," i.e., more dollars returned than new sales. Further, virtually all sales of the 11 titles were delist (discounted) at prices ranging from \$1.00 to \$9.50.

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APR 23 1986

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FY 1984

Boxing, Fishing Derby, Tennis,  
Stampede, Ice Hockey, Barnstorming  
and Grand Prix . . . . .

Previous Report:	\$9,940,605
Revision (based on net returns):	<u>4,425,997</u>
Difference:	(\$5,514,608)*

Sky Jinks . . . . .

Previous report:	105,310 units**
Revision (based on net returns);	<u>78,783</u>
Difference:	(26,527) units

Enduro . . . . .

Previous report:	540,482 units
Revision	<u>532,382</u>
Net	(8,100) units

Decathlon . . . . .

Previous report:	224,391 units
Revision	<u>263,871</u>
Net	39,480

Pressure Cooker . . . . .

Previous report:	35,531 units
Revision:	<u>36,753</u>
Net	1,222 units

\* Numbers enclosed in parantheses indicate net loss or reduction from previous figures.

\*\* Per unit prices are the same as previously provided.

1985 (All Sales Delist)

Boxing, Fishing Derby, Tennis, Stampede, Ice Hockey, Barnstorming, Grand Prix	(\$146,864)
Sky Jinks	(\$231,899)
Enduro	\$ 8,822
Decathlon	(\$ 7,486)
Pressure Cooker	(\$112,628)

FY 1986

Boxing, Fishing Derby, Tennis, Stampede, Ice Hockey, Barnstorming, Grand Prix	\$ 824
Sky Jinks	\$ 18,469
Enduro	\$141,717
Decathlon	\$156,632
Pressure Cooker	\$ 2,523

I will be happy to answer any questions you might have as to the interpretation of the above.

Regards,



MARTIN R. GLICK

MRG/js