

Atari announces the signing of the divestiture of its remaining 66% stake in Distribution Partners

Lyon – France, July 2, 2009 – Atari announced today the signing for the disposal to Namco Bandai Games Europe of its 66% stake in Distribution Partners, the sales, marketing and retail distribution business serving the video game industry in Europe and Asia/Pacific. The company had announced on March 25 its intention to exercise its put option.

Atari will receive from Namco Bandai Games Europe a cash payment of approximately €37 million, based on a €60 million enterprise value of Distribution Partners, net of cash, debt and price adjustments. Formal closing of the transaction will occur after the approval by German antitrust authorities - which management does not expect to be withheld - and is expected to take place in the coming days.

With this transaction, Atari exits a fragmented distribution business in Europe and Asia/Pacific, which is not its strategic focus any more, thereby reducing sharply the resources tied up in working capital and the risks associated to this business.

Now that Atari's finances are on a sound footing, it will invest its resources in game development, studio and publishing operations, both internally and with leading external development partners.

After a year of restructuring and transformation, Atari's management is now entirely dedicated to reviving the Atari brand, leveraging Atari's strong IP portfolio, developing leading franchises (like Ghostbusters), and establishing a leading on-line game company with its Cryptic Studios.

About Atari:

Atari group, is mainly comprised by Atari brand, Atari catalog of IPs, Cryptic Studios, Eden Studio and its newly created London studio and is a global creator, producer and publisher of interactive entertainment software for all market segments and all interactive game platforms including consoles from Microsoft, Nintendo and Sony, advanced smartphones, Personal Computers, web and online. Atari also distributes video games notably in North America, through its US subsidiary Atari Inc. and direct to consumers via www.atari.com.

Atari's benefits from an extensive catalogue of popular games based on original franchises (Test Drive, Alone in the Dark, V-Rally, My Horse & Me, Backyard Sports franchise, Total Annihilation, Outcast etc.), Cryptic Studios titles (StarTrek Online, Champions Online), publishing properties (Ghostbusters, The Chronicles of Riddick, The Witcher, Race Pro etc.), international licenses (Dungeons & Dragons, Jamie Oliver etc.) and classic games covering the entire history of the video game industry (Pong, Missile Command, Asteroids etc).

For more information, please contact:

Investor relations	Media relations
Alexandra Fichelson IR Director, Atari Tel + 33 (0) 1 43 12 54 31 alexandra.fichelson@atari.com	Calyptus Marie Ein – Alexis Breton Tel + 33 (0) 1 53 65 68 68 atari@calyptus.net