

Atari announces 30.1% revenue growth to €54.5 million for the 1st quarter of fiscal year 2009/2010

(unaudited data)

Lyon – France, July 24th, 2009 – Atari, S.A. announces its consolidated first quarter revenues for fiscal year 2009/2010 (ended June 30, 2009) with a 30.1% growth year-on-year to €54.5 million (representing a 16.2% growth at constant exchange rate). This solid performance was achieved mainly thanks to the commercial success of two recent titles: *Ghostbusters: The Video Game* in the United States and *The Chronicles of Riddick: Assault on Dark Athena*.

1ST QUARTER REVENUES ANALYSIS: 30.1% GROWTH

Revenue breakdown by segment was as follows:

in €m	1Q	1Q	% growth at current exchange rate	% growth at constant exchange rate
	2009/2010	2008/2009		
US operations*	45.5	25.0	82.0%	58.7%
European publishing operatio	8.6	16.7	-48.5%	-48.5%
Other	0.4	0.1	na	na
TOTAL	54.5	41.9	30.1%	16.2%

* primarily Atari Inc.

(1) 2008/2009 and 2009/2010 figures are under IFRS and have been restated under IFRS 5. The net revenue of Distribution Partners business, in the process of being disposed of as of June 30, 2009 is accounted for discontinued operations and is not included in revenues.

Revenue breakdown by platform was as follows:

	FY09/10	FY08/09
	Q1	Q1
Xbox 360	37.0%	38.5%
PS3	24.6%	12.1%
Wii	19.9%	14.9%
NDS	7.0%	4.1%
PC	8.1%	13.7%
PS2	3.1%	14.2%
PSP	0.2%	2.0%
Other	0.1%	0.5%

US Operations, primarily consisting of the US distribution business (Atari, Inc.) and representing 83.5% of the consolidated revenues, drove the growth with an 82.0% increase to €45.5 million, mainly thanks to the strong success of this quarter key releases titles: *Ghostbusters: The Video Game* and *The Chronicles of Riddick: Assault on Dark Athena*. In addition, US strong performance was also driven by improvement of third-party distribution revenues, which now represent approximately 33% of US Distribution revenues, mainly thanks to the development of local distribution deals such as with ZOO Games and CDV Software Entertainment. In addition, US operations revenue was driven by licensing operations, such as the deal signed with Sony Europe to launch *Ghostbusters: The Video Game* exclusively on PlayStation in Europe.

European publishing operations, representing 15.7% of the consolidated revenues, decreased by 48.5% as the only major release in the period was *The Chronicles of Riddick: Assault on Dark Athena*, while the previous year's quarter included numerous releases, including *Alone in the Dark*.

This performance in the first quarter is mainly due to a favorable game release schedule and should not be extrapolated for the remaining of the year.

MAIN EVENTS OF Q1 2009/2010

As part of the transformation plan undertaken in 2008, additional strategic actions were implemented during FY 2009/2010's first quarter:

Corporate rebranding: In May 2009, the Board agreed to change Infogrames Entertainment's name to Atari. This decision will enable the Company to make the best use of the Atari brand, capitalizing on worldwide strong name recognition and affinity, which are key drivers to implement the Company's online, product and licensing strategies.

Publishing strategy at Atari: In May 2009, the company announced its publishing business reorganization plan seeking to maximize non-online IP revenues through monetization of licenses and development of co-publishing deals.

Change in senior management team: In May 2009, the Company announced changes in its management team, with Phil Harrison leaving its President function and Jeff Lapin joining as COO.

Implementation of an additional cost-cutting plan: In the first quarter of FY 2009/2010, the Company announced the implementation of an additional reorganization plan aiming at offsetting potentially protracted weakness in consumer demand while progressing towards its online operations. This reorganization plan will reduce general and administrative expenses as well as working capital requirement mainly through the full divestiture of Distribution Partners in Europe, sharp reductions in general and administrative expenses and a rationalization of the Group's offices worldwide. This cost reduction program is expected to be completed within the end of the third quarter of FY 2009/2010.

MAIN EVENTS SINCE THE CLOSING OF Q1 2009/2010

On July 7th, 2009, Atari **closed the disposal to Namco Bandai Games Europe of its 66% stake in Distribution Partners** (newly renamed Namco Bandai Partners) and received a cash payment of approximately €37 million, based on a €60 million enterprise value of Distribution Partners, net of cash, debt and price adjustments.

With this transaction, Atari exited a fragmented distribution business in Europe and Asia/Pacific, which is no longer part of the Company's strategic focus, thereby reducing sharply the resources tied up in working capital and the risks associated to this business.

OUTLOOK FOR 2009/2010

The Company reiterates its guidance of profitability. Current operating income is expecting to be at or above breakeven in the second half of this fiscal year excluding non-recurring items.

In addition, indicative expected release later this fiscal year / early next year:

- Q3 (Qubed) (X-Box 360, in September 2009)
- *Ghostbusters: The Video Game* (in Europe on PC, X-Box360, Wii, DS) and PSP version, in autumn 2009
- *Champions Online*, the first true action Massively Multiplayer Online Role Playing Game (MMORPG) powered by the groundbreaking Cryptic Engine, with Cryptic team devoted to working directly with gamers to deliver a great gaming experience (PC in September 2009)
- *Backyard Football* (Wii, PS2, X-Box 360 in October)
- *Star Trek Online*: with customizable ships and characters from the Klingon Empire and United Federation of Planets, ground, space and shipboard gameplay and unique options for player-generated content set in the Star Trek universe, *Star Trek Online* is the MMOG that allows gamers to boldly go where no one has gone before. This game is expected to benefit from the success of the newest Star Trek film.

Atari financial calendar:

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| - Annual Ordinary and Extraordinary Shareholders meeting: September 30 th , 2009 |
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Forward looking statements:

This press release contains forward-looking statements with respect to the financial condition, results of operations, business, strategy and plans of Atari. Although Atari believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Atari's control, and notably some risks described in the 2007/2008 Document de référence of the group filed by Infogrames Entertainment with the Autorité des marchés financiers (AMF - French securities regulator) under number D.08-0577 and in the Supplement to the Document de référence of the group filed with the AMF by Infogrames Entertainment on December 9, 2008 and which are also available in English on Atari's corporate web site (<http://corporate.atari.com>). The present forward-looking statements are made as of the date of the present press release and Infogrames disclaims any intention or obligation to provide, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

About Atari:

The Atari group, mainly comprised of the Atari brand, Atari catalogue of IPs, Cryptic Studios Inc., Eden Games and its newly created London studio, 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 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 (Star Trek Online, Champions Online), publishing properties (Ghostbusters, The Chronicles of Riddick, 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:

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