



Atari announces 3-month revenues for FY 2010/2011

(unaudited data)

- Atari Net Revenue of €19.3 million for the 1st quarter of fiscal year 2010/2011 vs. €54.5 million in the prior year
- Online revenue as a percentage of total Net Revenue increases to 44% from 4% in the prior year

Lyon – France, July 23rd, 2010 – Atari, S.A. announces its consolidated first quarter net revenue for fiscal year 2010/2011 (ended June 30, 2010) at €19.3 million, a 65% decline at current exchange rates and a 67% decline at constant exchange rate. This decrease, in line with expectations, was mainly due to a planned smaller number of releases during this quarter when compared to last year: only one major game was released (*Sandlot Sluggers*) in this quarter vs. two major releases (*Ghostbusters: The Video Game* in the United States and *The Chronicles of Riddick: Assault on Dark Athena*) in the same quarter last fiscal year. Online revenue increased in both amount and percentage of total revenue as compared to the prior period as the Group continues its strategic shift towards higher margin revenue streams.

This decrease is primarily timing-related as a significant portion of the net revenue for this fiscal year is expected to be generated in the second half of the fiscal year when most of the new Atari games will be released.

Net revenue breakdown by segment was as follows:

(€ millions)	Q1		Q1		Change in €m	Change in %
	2010/2011	% revenues	2009/2010	% revenues		
Revenue	19.3	100.0%	54.5	100.0%	(35.2)	-64.6%
<i>Online</i>	8.4	43.5%	2.0	3.7%	6.4	320.0%
<i>Retail and other</i>	10.9	56.5%	52.5	96.3%	(41.6)	-79.2%

Online revenue, comprised primarily of subscription and digital distribution revenue, was €8.4 million – an increase of €6.4 million over the prior year as FY 2010/2011 included a full quarter of both *Star Trek Online* and *Champions Online* subscription revenue over the period. Both games launched after the first quarter of the prior fiscal year. Online revenue was 44% of total net revenue as compared to 4% in the first quarter of the prior fiscal year.

Retail and other revenues, comprised primarily of sales to retail stores, decreased by €42 million to €10.9 million as compared to the prior year first quarter primarily due to the planned fewer releases of titles in FY 2010/2011 as compared to the prior fiscal year and lower third-party distribution revenue. Retail and other revenues were 56% of total net revenue as compared to 96% in the first quarter of the previous fiscal year.

OUTLOOK FOR 2010/2011

The Group reiterates its prior guidance and expects to report considerable improvement in current operating income (loss) in each of the semesters in fiscal year 2010/2011 as compared to the equivalent periods in fiscal year 2009/2010.

Below is an indicative timeline of projected and already announced releases for later this fiscal year and 2011:

- *Test Drive Unlimited 2* for Xbox 360, PlayStation3 and PC is expected in the second semester of the fiscal year.
- *Haunted House* for Wii, Xbox LIVE Arcade for Xbox 360, and PC on September 21, 2010,
- *Backyard Sport: Rookie Rush* for Xbox 360, Wii, Nintendo DS and PC shipping October 26, 2010,
- A series of retail, XBLA, PSN and PC download releases based upon Atari's classic video game brands in the second half of the year,
- *The Witcher 2: Assassins of Kings*, planned to be released for PC in Spring 2011,
- Numerous casual and social online game releases based upon Atari's classic video game brands in the fiscal year.

MAIN EVENTS OF Q1 2010/2011

Changes in the management team with two new members joining the board of Directors: Atari's co-founder Nolan Bushnell and online entrepreneur Tom Virden. In addition, Gina Germano left the Board.

Atari financial calendar:

- Annual Ordinary and Extraordinary Shareholders meeting (second notice): September 30th, 2010

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 2008/2009 Document de référence of the group filed by Atari with the Autorité des marchés financiers (French securities regulator) under number D.09-0600 and which is also available in English on Atari's corporate web site (<http://corporate.atari.com>) and the Supplement of the Document de référence also filed with the Autorité des marchés financiers under number D.09-0600-A01. The present forward-looking statements are made as of the date of the present press release and Atari 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:

Atari group is a global creator, producer and publisher of interactive entertainment for key platforms, including online (casual, social, MMO), PC, consoles from Microsoft, Nintendo and Sony, and advanced smart phones (i.e. iPhone, Android and RIM devices).

Atari benefits from the strength of its worldwide brand and its extensive catalogue of iconic game franchises (Asteroids®, Centipede®, Missile Command®, Lunar Lander®), original owned franchises (Test Drive®, Backyard Sports®, Deer Hunter®, Champions Online) and third party franchises (Ghostbusters®, Rollercoaster Tycoon®, Dungeons and Dragons®, Star Trek).

For more information please visit <http://corporate.atari.com>

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