



A French corporation (*société anonyme*) with capital 23 886 590 euros.

Principal office: 78 rue Taitbout, 75009 Paris.

Lyon Trade and Company Registry No. 341 699 106

Paris, October 4th, 2010

Note to the readers: This report is an English translation of the French original report and is provided for informational purposes. This translation is qualified in its entirety by the French version which is available on the company's web site (corporate.atari.com). In the event of any inconsistencies between the French version of this report and the English translation, the French version will prevail.

Description of the Share Buy-Back Program approved by the Annual and Special shareholders' meeting of September 30, 2010

Pursuant to articles L.451-3 of the Monetary and Financial Code (*Code Monétaire et Financier*) and article 241-1 and seq. of the General Regulation (*Règlement Général*) of the *Autorité des marchés financiers* ("AMF"), the purpose of this document is to describe the objectives, terms and conditions of Atari's share buy-back program authorized by the annual shareholders meeting of September 30th, 2010, in its 11th resolution, cancelling, effective immediately, the authority granted by resolution 14 of the annual shareholders' meeting of September 30th, 2009 to purchase shares of the Company.

SYNTHESIS OF THE MAIN CHARACTERISTICS OF THE PROGRAM

Issuer: Atari, a French corporation (*société anonyme*) with a capital of 23,886,590 euros

Head quarter: 78 rue Taitbout, 75009 Paris - Lyon Trade and Company Registry No. 341 699 106

Market place: Euronext Paris.

ISIN Code: FR0010478248

Issued capital composed of 23,886,590 shares including 2,470 shares owned by the company and 33,000 shares held through the liquidity contact (i.e. 0.15% of the capital) as of September 30th, 2010.

The annual shareholders meeting of September 30th, 2010 authorized, for an eighteen (18) months period, the purchase of up to 10% of the Company's shares outstanding at any time the board decides to act under this authority, with the understanding that the Company shall at no time hold more than 10% of its own shares (for indicative purposes, this would amount to 2,388,659 shares). This share buy-back program is effective until March 30th, 2012.

In accordance with article L. 225-209 (3) of the Monetary and Financial Code (*Code Monétaire et Financier*), the Board of directors shall be entitled to delegate authority for such transactions to the chief executive officer or, with the latter's consent, to one or more executive Vice-Presidents.

OBJECTIVES OF THE SHARE BUY-BACK PROGRAM:

- Ensuring the liquidity of the shares under a market-making agreement with an investment service provider, in compliance with a code of conduct recognized by the AMF;
- Transferring shares to third parties, in any form whatsoever (sale, transfer, exchange, etc.), in connection with acquisitions, mergers, demergers or transfers;
- Allotting shares whenever rights attached to securities redeemable, convertible or exchangeable for existing Company shares - including warrants or other rights - are exercised for existing shares of the Company;

- Granting or selling shares to employees or officers, in connection with performance-based incentive plans or stock-option plans, bonus share plans, employee savings plans or other plans as permitted by the applicable law;
- Performing any new market transactions permitted by law or the AMF;
- Cancelling shares.

DISTRIBUTION OF THE OBJECTIVES OF NEW SHARE BUY-BACK PROGRAM

- As of 30 September 2010, the 33,000 shares held by the Company under the liquidity agreement are all allocated to the primary objective of the share buy-back program, i.e. market making completed by an investment service provider, under a liquidity agreement in compliance with the AMAFI (Association Française des Marchés Financiers) code of conduct.
- No share is held for the delivery of securities by any means whatsoever (sale, transfer, exchange, etc ...) in connection with acquisitions, mergers, demergers or transfers;
- No share is held for the award, upon the exercise of rights attached to securities redeemable, convertible or exchangeable for existing Company shares - including warrants or other rights - are exercised for existing shares of the Company;
- No share is held for granting or selling shares to employees or officers, in connection with performance-based incentive plans or stock-option plans, bonus share plans, employee savings plans or other plans as permitted by the applicable law;
- No share is held to perform any market practice that may be recognized by law or the AMF;
- No share is held for the cancellation of shares.

CHARACTERISTICS OF THE SHARE BUY-BACK PROGRAM

Shares may be bought, sold, transferred or exchanged by any means, on regulated markets or over the counter, including by way of block trades. These means include the use of financial derivatives traded on regulated markets or over the counter as well as option trading strategies as permitted by the market authorities.

Transactions may be performed at any time including during periods when tender offers are in effect, in accordance with article 232-7 of the General Regulation (*Règlement Général*) of the AMF, if the Company's shares subject to the payment is fully done in cash and if the transactions are executed within the frame of the share buy-back program and cannot affect the accomplishment of the offer.

September 30th, 2010 annual shareholders' meeting resolved that the maximum price at which shares may be bought shall be € 12 (twelve euros) per share, provided that the foregoing price may be adjusted accordingly by the Board of Directors in the event of financing transactions such as capitalization issues by means of the transfer of reserves, distributions of bonus shares and/or stock splits or reverse splits.

In order to ensure that the share buy-back program is duly carried out, full authority was granted to the Board of Directors - with the further authority to delegate - for the purpose of:

- placing market orders and entering into agreements regarding such matters as the keeping of records of stock trades;
- carrying out all filings and formalities with the AMF or any other regulatory agency;
- in the event that the Company should purchase its own shares for more than their trading price, making all necessary adjustments to the number of shares for which stock warrants and options - or other securities with a right to existing Company shares - may be exercised;
- completing all other formalities and, as a general matter, doing whatever is necessary.

The authority for the share buyback program granted by the September 30th, 2010 annual and special shareholders' meeting is valid for a period of 18 months from the date of that meeting and expires March 30th, 2012.

USE OF PRIOR SHARE BUY-BACK PROGRAM

Pursuant to the liquidity agreement assigned by Atari to CA Cheuvreux, as of September 30th, 2010, the following resources were recorded on the account:

- 33,000 shares
- € 8,912.38

As a reminder, as of October 1st, 2009, the account had the following balance:

- 73 shares
- € 207,332.38

RESULTS OF THE PREVIOUS SHARE BUY-BACK PROGRAM

The results reviewed here are those of transactions in the period from October 1st, 2009, when the share buy-back program went into effect following the authorization granted by the Annual shareholders meeting of September 30th, 2009, through September 30th, 2010, when the annual and special shareholders' meeting resolved to terminate, effective immediately, the authority to trade in the Company's shares.

As of October 1st, 2009 through September 30th, 2010 the total purchases under the liquidity agreement represented 135,011 shares (0.57% of the share capital) worth €759,572.31 and total sales represented 102,084 shares (ie 0.43% of the share capital) worth of €560,251.00.

The Company did make use of this authority to purchases derivatives.



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