



## 1<sup>st</sup> quarter of fiscal year 2011/2012 Revenues

(unaudited data)

(following the Board meeting held on July 13 2011)

**Lyon – France, July 18, 2011 – Atari, S.A. announces its consolidated first quarter net revenue** for fiscal year 2011/2012 (ended June 30, 2011) at €9.2 million, a 36.1% decline at current exchange rates and a 40.3% decline at constant exchange rate. This decrease was mainly due to the Company's continued shift toward digital (online, mobile) revenues, fewer and more profitable retail releases and the strategic exit from the third-party distribution business.

Net revenue breakdown by segment was as follows:

	Q1 2011/2012		Q1 2010/2011		Change M€	Change %
	M€	% of revenues	M€	% of revenues		
<b>Revenues</b>	<b>9.2</b>	<b>100.0%</b>	<b>14.4</b>	<b>100.0%</b>	<b>-5.2</b>	<b>-36.1%</b>
Digital	5.5	59.8%	3.5	24.3%	+2.0	+57.1%
Retail	3.7	40.2%	10.9	75.7%	-7.2	-66.1%

*Note: The net income of Cryptic Studios business, in the process of being disposed as of March 31, 2011, is reported on the line "discontinued operations" as of April 1, 2009. 2010/2011 and 2011/2012 Group revenues exclude Cryptic Studios business.*

**Digital revenue**, comprised primarily of digital distribution revenues, online, mobile and licensing, was €5.5 million – an increase of €2.0 million over the prior year as the Company continues to expand its business in the digital space. Digital revenue was 59.8 % of total net revenue as compared to 24.3% in the first quarter of the prior fiscal year.

**Retail revenue**, comprised primarily of sales to retail stores, decreased by €7.2 million to €3.7 million as compared to the prior year first quarter primarily due to continued focus on fewer but more profitable products and the strategic exit from the third-party distribution business. Retail and other revenues were 40.2 % of total net revenue as compared to 75.7 % in the first quarter of the previous fiscal year.

### Outlook for 2011/2012

The Company confirms its guidance and expects to report continued improvement in Actual Current Operating Income in semester 1 and maintain profitability in semester 2 of Fiscal Year 2011/2012, as compared to the equivalent periods of Fiscal Year 2010/2011.

**Overall the Company expects continued improvement in Current Operating Income for the full year 2011/2012.**

### Main events of Q1 2011/2012

**Corporate governance evolution:** Following the resignations of Mr. D'Hinnin, Mr. Lamouche and of The BlueBay High Yield Investment (Luxembourg) SARL, Atari's Board of Directors was composed as follows at the end of June 30, 2011:

- Frank Dangeard, Chairman, Independent Director;
- Jim Wilson, Chief Executive Officer, Director (subject to September 30, 2011 shareholders meeting approval);

- Tom Virden, Independent Director;
- The BlueBay Value Recovery (Master) Fund Limited, represented by Gene Davis.

**Restructuring at Eden:** In April 2011 Atari announced a project to restructure Eden Games, its development studio headquartered in Lyon (France). The plan which was effective at the end of the first quarter of fiscal year 2011/2012 reduces the workforce to just under 30 employees, adjusting costs to the size of the business and its revenues.

**Credit line maturity extended:** On June 30, 2011, the Company and BlueBay have agreed to an extension of a credit facility of €49 million to December 31, 2011.

**Cryptic Studios divestiture:** On May 31, 2011, Perfect World Co., Ltd. and Atari announced that they have entered into a definitive agreement whereby Perfect World would acquire 100% equity interest in Cryptic Studios from Atari, the sole shareholder of Cryptic Studios. Under the stock purchase agreement, Perfect World would pay an aggregate purchase price of approximately €35.0 million in cash, subject to working capital and other adjustments as provided in the agreement. The consummation of the transactions contemplated in the agreement is subject to satisfaction of closing conditions. In line with the previously stated strategy of fewer but more profitable releases and further expansion into casual online and mobile games, the Company has chosen to focus on external development to benefit from additional flexibility.

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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 2009/2010 Document de référence of the group filed by Atari with the Autorité des marchés financiers (French securities regulator) under number D.10-0660 and which is also available in English on Atari's corporate web site (<http://www.atari.com>). 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, SA**

*Atari group is a global creator, producer and publisher of interactive entertainment. Atari's brands and content are available across all key traditional and digital distribution touch points, including browser-based and social online platforms, PC, consoles from Microsoft, Nintendo and Sony, and advanced smart phones (i.e. iPhone, Android and RIM devices). Divisions of Atari, SA include Cryptic Studios, Eden Studios, Atari Interactive, Inc. and Atari, Inc.*

*Atari benefits from the strength of its worldwide brand and its extensive catalogue of contemporary classic game franchises (Asteroids®, Centipede®, Missile Command®, Lunar Lander®), original owned franchises (Test Drive®, Backyard Sports®, Deer Hunter®), MMO games from Cryptic Studios (Star Trek™ Online, Champions™) and third party franchises (Ghostbusters®, Rollercoaster Tycoon®, Dungeons and Dragons®). Atari also leverages the power of its franchises to deliver movies and merchandise to consumers around the world.*

**For more information: [www.atari.com](http://www.atari.com) and [corporate.atari.com](http://corporate.atari.com)**

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