1ST HALF OF FY 2011/2012 RESULTS

Unaudited preliminary data – Ongoing audit process
Approved by the Board of Directors on November 4, 2011.

- **Atari has continued its shift toward digital (mobile, online) revenues while maintaining its focus on selling fewer but more profitable games:** Net revenue of €16.5 million for the 1st half of FY 2011/2012 vs. € 20.9 million in the same period of the prior fiscal year.
- **Current operating result is in line with the guidance:** It improved by €4.1 million to Current operating losses of -€2.6 million, as a result of the actions implemented to recover profitability and reduce the cost structure.
- **Outlook for FY 2011/2012 is reiterated:** Overall the Company expects continued improvement in Current Operating Income for the full year 2011/2012.
- **Reduction of the nominal value of the shares** from 1 euro to 0.5 euro.
- **Change in the shareholding structure** following the conversion by BlueBay of a portion of the ORANEs held by them, pursuant to which their direct shareholding will amount to 29.2% of the outstanding number of shares. BlueBay has indicated to Atari that it does not intend to further increase its direct or indirect shareholding in Atari.

Paris, France - November 8, 2011 – **Atari announces its first half results for fiscal year 2011/2012 (ended September 30, 2011) with a 21.1% revenue decline to €16.5 million while current operating loss improved by €4.1 million, up 61.2% to -€2.6 million, in line with Atari's expectations.**

in €m	**H1 2011/2012**	H1 2010/2011
Revenues, net	16.5	20.9
Gross margin	15.4	10.1
% margin	*93.3%*	*48.3%*
Current Operating (loss)	(2.6)	(6.7)
Operating Income (loss)	(6.8)	(7.4)
Profit (loss) from continuing operations	(9.5)	(7.4)
Net Income (loss)	(8.2)	(9.2)
Net Income (loss) attributable to equity holders of the parent	(8.2)	(9.2)

1ST HALF OF FY 2011/2012 EARNING ANALYSIS

Revenues

Consolidated first half net revenue for fiscal year 2011/2012 amounted to €16.5 million, a 21.1% decline at current exchange rates and a 21.8% decline at constant exchange rate. This is mainly due to the Company's continued shift toward digital (online, mobile) revenues where Atari intends to benefit from new growth drivers, while fewer and more profitable retail games were released.

Digital revenue, comprised primarily of digital distribution revenues, online, mobile and licensing, was €10.5 million – an increase of €6.3 million over the prior year as the Company continues to expand its business in the digital space. This significant improvement resulted mainly from higher licensing revenues and the success of Atari's launch of *Dungeons and Dragons: Daggerdale* as well as the continued strong performance of catalogue titles (such as *Test Drive Unlimited 2,* and *RollerCoaster Tycoon)*. Digital revenue was 63.6% of total net revenue as compared to 20.1% in the first half of the prior fiscal year.

Retail revenue, comprised primarily of sales to retail stores, decreased from € 16.7 million in HY 2010/2011 to €6.0 million in HY 2011/2012, 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 36.4% of total net revenue as compared to 79.9 % in the first semester of the previous fiscal year.

Operating income (loss)

Current operating loss for the first half of FY 2011/2012 was -€2.6 million, a 61.2% improvement (or €4.1 million) compared to the same period in the FY 2010/2011. This significant improvement was mainly driven by:

i. the Group's gross margin improvement due to the focus on fewer but more profitable games, but also as a result of a reversal of provisions after the disposal of some licenses, which had been previously impaired,

ii. the reduction of general and administrative expenses,

iii. mainly offset by increased R&D costs (principally due to the timing of amortization related to product releases as well as an increase in development costs in accordance to the publishing plan), as well as higher marketing spend due to timing of new releases such as *Dungeons and Dragons: Daggerdale*, *Heroes of Neverwinter*, *Centipede* and *RollerCoaster Tycoon3* 3DS.

Operating loss for the first half of FY 2011/2012 decreased by €0.6 million to -€6.8 million, versus -€7.4 million in H1 of FY 2010/2011. This is linked to the restructuring operations that occurred in the first half of this year, which have been finalized.

Net income (loss)

Net loss for the first half of FY 2011/2012 was -€8.2million, slightly improving when compared to -€9.2 million in H1 of FY 2010/2011, mainly due to improved operating result and despite the higher cost of debt as the credit facility was fully drawn during the 1st half of the current fiscal year.

The first half of FY 2011/2012 net income included a €1.3 million income from discontinued operations which was mainly comprised of a €2.8 million of capital gain resulting from the sale of Cryptic Studios and by the losses incurred by the studio over the period.

Cash and Debt

As of September 30, 2011, **cash and cash equivalents** amounted to €11.4 million, versus €16.4 million at the end of March 31, 2011. The €35 million gross proceeds received from the sale of Cryptic Studios have been allocated to reimburse €21.6 million of the BlueBay credit facility (reducing the amount of the facility to €24.2 million), and the balance to finance Atari's operations and continue the implementation of the strategy. In July 2011, the Group fully reimbursed approximately €5.3 million of Oceane 2011. In April 2011, the group funded €3 million to an escrow account to finance the restructuration of Eden games studio.

As of September 30, 2011, net debt amounted to €17.0 million, compared to €36.0 million as of March 31, 2011.

1ST HALF OF FY 2011/2012 MAIN EVENTS

Restructuring at Eden Games: 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 approximately 25 employees, adjusting costs to the size of the business and its revenues.

Extension of the credit line maturity: On June 30, 2011, the Company and BlueBay have agreed to an extension of a credit facility of €49 million to December 30, 2011. In August the facility was reduced to €24.2 million.

Evolution of corporate governance: Following the resignation of Mr. D'Hinnin, Mr. Lamouche and of The BlueBay High Yield Investment (Luxembourg) SARL, Atari's Board of Directors is composed as follows:

- Frank Dangeard, Chairman, Independent Director;
- Tom Virden, Independent Director;
- The BlueBay Value Recovery (Master) Fund Limited, represented by Gene Davis;
- Jim Wilson, Chief Executive Officer, Director;
- Alexandra Fichelson, General Secretary, Director.

Cryptic Studios divestiture: On August 9, 2011, the divestiture of Atari's 100% equity interest in Cryptic Studios, Inc. was closed. As per the stock purchase agreement announced on May 31, 2011, Atari received from Perfect World a gross cash amount of approximately €35.0 million, of which, €3.4 is in escrow. Atari used the proceeds of this sale to reimburse €21.6 million of the BlueBay credit facility (reducing the amount of the facility to €24.2 million), and the balance to finance its operations and continue the implementation of its strategy. The sale of the studios generated a capital gain of €2.8 million.

Resolution of the Dungeons & Dragons rights dispute: On August 15, 2011, Wizards of the Coast LLC, Hasbro, Inc. and Atari, S.A. announced the settlement and resolution of the complaint against Atari, S.A. and the counterclaims filed by Atari, S.A. against Hasbro, Inc. in regards to the Dungeons & Dragons brand. Digital licensing rights for Dungeons & Dragons have been returned to Hasbro. Atari will continue to develop and market several games under license from Hasbro and Wizards of the Coast, including the #1 Xbox LIVE® hit Dungeons & Dragons: Daggerdale and Heroes of Neverwinter for Facebook.

EVENT AFTER THE REPORTING PERIOD

Reduction of capital of Atari S.A.: As permitted by the September 30, 2011 shareholders meeting, Atari S.A. reduced its capital, not motivated by losses, by reducing the nominal value of the shares from 1 euro to 0.5 euro. The amount of the reduction, €12.5 million, was allocated to a premium account and the Company's bylaws were modified accordingly.

BlueBay stake: The BlueBay Value Recovery (Master) Fund Limited and The BlueBay Multi-Strategy (Master) Fund Limited ("BlueBay") have informed Atari that they have requested the conversion of a portion of the ORANEs held by them, pursuant to which their direct shareholding in Atari will amount to 29.2% of the outstanding number of shares of Atari upon delivery of such shares, which is expected to occur on November 10, 2011. On a fully diluted basis, BlueBay's stake remains unchanged, and represents approximately 63.7% of the share capital of Atari.

As indicated in the press releases of Atari of 21 October 2010 and 31 January 2011, BlueBay initiated in 2010 a sales process for their stake in Atari, which was interrupted in January 2011. BlueBay has indicated to Atari that its intention remains, however, to divest its stake in Atari, and the sole purpose of the current conversion of the ORANEs referred to above is to simplify BlueBay's holding structure of its stake in Atari. BlueBay has indicated to Atari that it does not intend to further increase, directly or indirectly, its shareholding in Atari.

OUTLOOK FOR 2011/2012 REITERATED

The Company confirms that it expects to maintain profitability in semester 2 in Fiscal Year 2011/2012, as compared to the equivalent period in Fiscal Year 2010/2011.

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

Below is an indicative timeline of projected and already announced releases for the second half of the Fiscal Year 2011/2012:

- *Dungeons & Dragons: Heroes of Neverwinter* for Facebook was released in October 2011;
- *Warlords* for XBLA and PSN is to be released in Winter 2011;
- *Centipede: Infestation* for 3DS and Wii was released in October 2011;
- *Dungeons and Dragons: Daggerdale* for PSN releases during Holiday 2011;
- *Atari's Greatest Hits* for Android was released in October 2011;
- *Asteroids Gunner* for iOS (iPhone and iPad) releases in November 2011;
- *Putt Putt Saves the Zoo* for iOS (iPhone, iPad) and Android releases during Holiday 2011.

Atari's partner, Discovery Bay, also launched the Atari Arcade gaming controller for iPad in October 2011. The units are available for sale in Apple Stores worldwide and other key retailers, including Target.

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 2010/2011 Document de référence of the group filed by Atari with the Autorité des Marchés Financiers (AMF: French securities regulator) on July 29, 2011 under number D.11-0755 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 (www.atari.com) is a multi-platform, global interactive entertainment and licensing company. The original innovator of video gaming, founded in 1972, Atari owns and/or manages a portfolio of more than 200 games and franchises, including world renowned brands like Asteroids®, Centipede®, Missile Command®, Pong®, Test Drive®, Backyard Sports®, Deer Hunter®, Ghostbusters®, and Rollercoaster Tycoon®. Atari capitalizes on these powerful properties by delivering compelling games online (i.e. browser, Facebook® and digital download), on smartphones and tablets and other connected devices. The Company also develops and distributes interactive entertainment for video game consoles from Microsoft, Nintendo and Sony. As a licensor, Atari extends its brand and franchises into other media, merchandising and publishing categories.

Atari has offices in Los Angeles, New York, Paris, Lyon and London.

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APPENDIX *(Unaudited preliminary data – Ongoing audit process)*

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

APPENDIX I - SEGMENT DETAILS

BREAKDOWN OF REVENUES BY QUARTER

€ million	Actual 2011/2012	Actual 2010/2011
1st Quarter (April - June)	9.2	14.4
2nd Quarter (July-Sept.)	7.3	6.5
Total	**16.5**	**20.9**

2ND QUARTER 2011/2012 REVENUES

Q2 2011/2012 revenues amounted to €7.3 million compared to €6.5 million for the comparable period last year (or a 12.3% increase). This significant improvement mainly resulted from higher non-recurring licensing revenues offset by lower retail related sales.

BREAKDOWN OF REVENUES BY SEGMENT

€ million	H1 2011/2011	*% of revenues*	HY 2010/2011	*% of revenues*	Change in € m	Change in %
Digital	*10.5*	*63.6%*	*4.2*	*20.1%*	*6.3*	*150.0%*
Retail	*6.0*	*36.4%*	*16.7*	*79.9%*	*-10.7*	*-64.1%*
Revenues, net	***16.5***	***100.0%***	***20.9***	***100.0%***	***-4.4***	***-21.1%***

APPENDIX 2 - ATARI STATEMENT OF INCOME

In million of euros	Sept. 30, 2011 (6 months)	Sept. 30, 2010 (6 months)
Revenues, net	16,5	20,9
Cost of goods sold	(1,1)	(10,8)
Gross profit	**15,4**	**10,1**
Research and development expenses	(7,0)	(4,1)
Sales and marketing expenses	(4,8)	(4,2)
General and administrative expenses	(5,5)	(7,5)
Non-cash share-based payments	(0,7)	(1,0)
Current operating income (loss)	**(2,6)**	**(6,7)**
Gain (loss) on disposal of assets	-	-
Restructuring charges	(4,2)	(0,7)
OPERATING INCOME (LOSS)	**(6,8)**	**(7,4)**
Cost of debt	(2,2)	(0,7)
Other financial revenue and expenses	(0,5)	0,7
Corporate income tax		-
INCOME (LOSS) FROM CONTINUED OPERATIONS	**(9,5)**	**(7,4)**
Income (loss) from discontinued operations	1,3	(1,8)
CONSOLIDATED NET INCOME (LOSS)	**(8,2)**	**(9,2)**
Minority interests	-	-
NET INCOME (LOSS) (after minority interests)	**(8,2)**	**(9,2)**

APPENDIX 3 - BALANCE SHEETS

In millions of euros	Sept. 30, 2011	March 31, 2011
Goodwill	5,7	5,4
Intangible assets	10,9	12,7
Property, plant and equipment	2,6	2,7
Non-current financial assets	1,9	2,1
Non-current assets	**21,1**	**22,9**
Inventories	3,2	2,9
Trade receivables	4,8	9,7
Tax assets	0,3	0,6
Other current assets	8,4	2,8
Cash and cash equivalents	11,4	16,4
Assets held for sale	-	42,3
Current assets	**28,1**	**74,7**
Total assets	**49,2**	**97,6**
Total consolidated shareholders' equity	**(12,2)**	**(3,8)**
Non-current debt	3,3	3,4
Deferred tax liabilities	-	-
Other non-current liabilities	4,2	4,8
Non-current liabilities	**7,5**	**8,2**
Current contingency and loss provisions	5,0	3,6
Current debt	25,1	49,0
Trade payables	15,1	21,5
Tax liabilities	0,4	0,4
Other current liabilities	8,3	7,3
Liabilities held for sale	-	11,4
Current liabilities	**53,9**	**93,2**
Total liabilities and shareholders' equity	**49,2**	**97,6**

APPENDIX 4 – CASH FLOW STATEMENTS

In millions of euros	Sept. 30, 2011	Sept. 30, 2010
Consolidated net income (loss)	(9,6)	(7,4)
Income (loss) from discontinued operations	1,3	(1,8)
Non-cash revenue and expenses		
Allowances (reversals) of amortization and provisions on non-current assets	1,2	2,1
Stock-option related expenses (revenue)	0,7	1,0
Other non-cash revenue and expenses	1,3	0,6
Debt service costs	2,2	0,7
Taxes (payable and deferred)	-	-
Cash flow from operations before debt service costs and taxes	**(2,9)**	**(4,8)**
Income tax paid	0,3	-
Changes in working capital		
Inventories	(0,4)	0,3
Trade receivables	5,5	5,5
Trade payables	(1,4)	(5,0)
Other current assets and liabilities	(5,4)	(5,9)
Net cash flow used for operations - Continued operations	**(4,3)**	**(9,9)**
Net cash flow used for operations - Discontinued operations	**(5,0)**	**3,9**
Disbursements for acquisitions and capital expenditures		
Intangible assets	(3,1)	(7,3)
Property, plant and equipment	-	(0,2)
Non-current financial assets	-	-
Proceeds from disposals or repayments	-	0,1
Net cash flow used for investment - Continued operations	**(3,1)**	**(7,4)**
Net cash flow used for investment - Discontinued operations	**33,2**	**(2,4)**
Net funds from:		
Debt borrowing	3,5	14,0
Net funds disbursed for:		
Net interest expense paid	(2,4)	(0,4)
Debt repayment	(27,3)	(0,6)
Net sales (purchases) of the treasury shares		(0,2)
Net cash flow from financing activities - Continued operations	**(26,2)**	**12,8**
Net cash flow from financing activities - Discontinued operations	**-**	**-**
Impact of exchange-rate fluctuations	0,4	-
Change in net cash	**(5,0)**	**(3,0)**

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