



1st quarter of fiscal year 2012/2013 Revenues

(unaudited data)

(following the Board meeting held on July 27, 2012)

Paris, France, July 30, 2012 – Atari, S.A. announces consolidated first quarter net revenue for fiscal year 2012/2013 (ended June 30, 2012) of €6.8 million, a 39.3 % decline at current exchange rates. This decrease was mainly due to the change in revenue mix from console oriented games to mobile games and the timing of the release of mobile games in the quarter vs. prior year. Mobile and other digital games are expected to drive future revenues for the rest of this fiscal year and the Company expects to meet its targets. At the end of the quarter, Atari launched two new mobile games and announced its participation in Zynga's new mobile publishing partnership program. The Company supported these launches with the roll-out of a promotional campaign in relation with the brand's 40th anniversary, and extended its relationship with independent developers through the Pong developer contest.

Net revenue¹ breakdown by segment was as follows:

In €m	1Q 2012/2013	% of revenues	1Q 2011/2012	% of revenues	Change in € m	Change in %
Digital	1,9	27,9%	6,9	61,6%	-5,0	-72,5%
Retail	4,5	66,2%	3,8	33,9%	0,7	18,4%
Licensing	0,4	5,9%	0,5	4,5%	-0,1	-20,0%
Revenues, net	6,8	100,0%	11,2	100,0%	-4,4	-39,3%

Note: fiscal year 2012/2013 revenues of €6.8 million represent a 43.6% decline at constant exchange rate.

Digital revenue, comprised primarily of revenues of the digital distribution, mobile and social/casual platforms, was €1.9million, a decrease of €5.0 million over the prior year. This decrease is mainly due to the timing of new releases in this current year versus prior year. During the prior year, Atari released several higher priced premium digital distribution titles on Xbox Live, Playstation Network and PC that included *Dungeons & Dragons: Daggerdale* and *The Witcher 2*, and the continued sales of *Test Drive Unlimited 2*. Over the quarter, Atari successfully launched *Centipede: Origins* (iOS and Android), *Atari Circus* (iOS) and continued to benefit from *Atari's Greatest Hits*.

Licensing revenue, comprised primarily of revenues from licenses for assets created, developed and

¹ The net income of Eden Games business, in the process of being disposed as of March 31, 2012, is reported on the line "discontinued operations" as of April 1, 2010. 2011/2012 and 2012/2013 Group revenues exclude Eden Games business. The Group has adopted the provisions of IFRS 8 and presents segment information in accordance with how the Group's chief operating decision maker reviews financial operations. The Group has focused its future operations on building and monetizing Atari's mobile and online games as well as developing the licensing operations, while remaining opportunistic on the retail business. As a result, since FY 2011/2012 the management decided to report its segments as digital, licensing and, retail. In addition, since FY 2011/2012 the management of the Company decided, in conjunction with the Company's evaluation of its segments, to change the presentation of the "digital revenues", and that the mobile and social portions of the "Digital" segment should be reflected on a gross basis, with corresponding costs reflected in cost of goods sold. For consistency of presentation purposes the Company has reflected the respective digital distribution revenues in the same manner and restated 1Q of the FY 2011/2012 accounts accordingly, with no impact to the gross margin or the rest of the P&L.

financed by licensees (such as *Atari Flashback* or *Atari Arcade*) - was €0.4 million - a slight decrease of €0.1 million over the prior year.

Retail revenue, comprised primarily of revenues associated with the publishing and physical distribution of interactive entertainment, was €4.5 million, a €0.7 million increase versus the prior year's first quarter. The Company focuses its efforts in retail on fewer but more profitable products, an opportunistic strategy illustrated this quarter by the successful commercial launch of *Tera Online*, which is distributed on PC at Retail and via certain digital outlets in the US. Additionally the Company released *Test Drive: Ferrari Racing Legends* on Xbox 360® and PlayStation®3.

Outlook for 2012/2013

Given the full slate of games for the remainder of the year and the evolution of the skill sets within the organization, the Board of Directors noted with satisfaction the continued progress made by the Company towards online and mobile games. As a result, the Company confirms its guidance and expects overall flat to continued improvement in Current Operating Income for the full year 2012/2013.

As the main shareholder and sole lender of the Group, BlueBay stated: "We reaffirm our total support to the management team which is carrying out a complicated and essential strategic turnaround in a very challenging business environment".

This shows the progress made over the past two years and contrasts the Company's performance prior to that. In May 2009 (prior to the arrival of the current management team), the Company's net losses amounted to 222 million euros, or 1.6 times the revenues of that fiscal year, with financial commitments above 100 million euros, following more than 10 consecutive years of losses. Since then a vigorous turnaround of the Company has been implemented to now focus on the growing online and mobile gaming segments. This strategy enabled the Group to come back to breakeven while reducing its financial commitments to slightly above 20 million euros.

Atari expects to continue launching new mobile and online games in FY 2012/2013 based upon its highly popular and world renowned game brands. Announcements of such titles are done at the time of release.

Main events of Q1 2012/2013

Sale of Atari's stake in GameOne: In April, 2012, Atari and Viacom entered into an agreement, whereby Atari disposed of its 38.6% stake in GameOne to Viacom, for a purchase price, in cash, of approximately €5.9 million. This transaction is part of Atari's strategy to focus on core gaming assets. The proceeds of the transaction have been used for corporate purposes and reduction of debt. As of March 31, 2012, the Company accounted for its stake in GameOne as "asset held for sale" in the balance sheet. The disposal is expected to generate a capital gain that will be accounted for in 1H 2012/2013.

Credit line maturity extended: In June 2012, the Company and BlueBay have agreed to extend the maturity of the credit facility of €21.0 million from June 30, 2012 to December 31, 2012. Other terms and conditions remained unchanged.

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®, 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.

For more information: www.atari.com and corporate.atari.com

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