

Infogrames Entertainment Fiscal Year 2008/2009 Earnings

(unaudited preliminary data)

- **Business transition substantially completed due to a deep operational and financial restructuring and the sale of the distribution business**
- **Transition costs had non-recurring impacts on year end profitability of -€175.9 million. Infogrames 2008/2009 actual net losses amounted to -€226.1 million. Excluding main costs of the transformation mainly relating to reorganization plan, Atari adjusted net losses, amounted to -€50.2 million representing a €4.9 million improvement when compared to the prior year**
- **Corporate Rebranding: Infogrames renamed to Atari to leverage worldwide brand recognition and affinity**

Lyon – France, May 29, 2009 – Infogrames Entertainment announces its consolidated fiscal year 2008/2009 (ended March 31, 2009) earnings.

FULL YEAR 2008/2009 RESULTS

For fiscal year 2008/2009, consolidated revenues were €136.4 million, up 51.0% despite the challenging economic environment. Infogrames shows a strong performance in the US with revenue growth of 82.3%.

Actual Infogrames fiscal year 2008/2009 net losses were -€226.1 million (when compared to a -€51.1 million losses as for fiscal year 2007/2008). The Company realized substantial write-offs and goodwill impairments on its publishing operations as well as losses from discontinued operations due to the exit of its distribution business in Europe and Asia. These developments are all associated with the acceleration of the sale of the distribution business, focusing its business on fewer, high quality titles and on migrating the Company online. For reconciliation from Infogrames Entertainment's net income to Atari's net income, please refer to Appendix II and III attached.

Following a significant financial and operational transition, **the Group reiterates its guidance of profitability** with current operating income expected to be at or above breakeven in the second half of this fiscal year excluding non recurring items.

Revenues analysis

For the full year 2008/2009, Company's total revenues grew by 51.0% to €136.4 million due to US distribution revenues that almost doubled while European publishing operations were almost flat. This good performance was achieved despite the challenging economic environment during the holiday season and its impact on discretionary consumer spending.

Revenues breakdown by segment was as follows:

	Actual FY 2008/2009		Actual FY 2007/2008		% change at current exchange rate	% change at constant exchange rate
<i>In € million</i>						
European publishing operations	42,2	31,0%	38,5	42,7%	9,6%	9,6%
US distribution*	93,9	68,8%	51,5	57,0%	82,3%	82,7%
Other	0,3	0,2%	0,3	0,3%	0,0%	0,0%
Total	136,4	100,0%	90,3	100,0%	51,0%	51,2%

* Primarily Atari Inc

Net income / (losses) analysis

Excluding main costs of the transformation, Atari adjusted net losses for FY 2008/2009 amounted to -€50.2 million, when compared to -€55.1 million for comparable period last year. For reconciliation from Infogrames Entertainment's net income to Atari's net income, please refer to Appendix II and III attached.

Actual Infogrames Entertainment's fiscal year 2008/2009 net income amounted to -€226.1 million (when compared to a -€51.1 million losses for the fiscal year 2007/2008). This €175.0 million decrease was mainly due to 2008/2009 exceptional non-recurring expenses related to the restructuring of packaged products publishing, sale of distribution and the transformation from Infogrames to Atari.

Cash and Balance sheet main figures

The closing of the divestiture from Distribution Partners is expected in July 2009. Assuming completion of the Distribution Partners divestiture as of March 31, 2009 generating an estimated minimum of €30 million cash, Atari adjusted cash balance would have reached €35.9 million. In full year 2008/2009, the use of cash was mainly dedicated to R&D spending, restructuring costs and impact of lackluster retail market during the holiday season. For reconciliation from Infogrames Entertainment balance sheet to the Atari balance sheet, please refer to Appendix V attached.

To improve the cash position the Company has reorganized the business to focus on more cost effective mass-market games and online. As such, the Company has cancelled projects which do not meet higher return on investment criteria and require significant working capital investments. Further, the Company is working on extending its credit line beyond December 2009.

CHANGE IN MANAGEMENT TEAM

Because of a shift of business operations to the US, Phil Harrison will move from the role of President to that of non-executive Director of the Group. As all Board members, he will continue to assist, support and guide the Company's strategy.

In parallel, Jeff Lapin has joined Atari as Chief Operating Officer. Jeff Lapin is already an active member of Infogrames' Board, who brings a strong history in the retail games business as CEO of Take Two, COO of THQ and CEO of Starwood. Based in the US, Jeff will join David Gardner to lead a worldwide organization.

Atari Comex team is now composed as follows:

- David Gardner, Chief Executive Office and Director
- Jeff Lapin, Chief Operating Officer and Director
- Fabrice Hamaide, Chief Financial Officer
- Jim Wilson, Chief Executive Officer at Atari, Inc.
- John Needham, Chief Executive Officer at Cryptic

STRATEGIC PLAN

2008/2009 was a year of transformation - from Infogrames Entertainment, a publishing and distribution company to Atari, focusing on online operations - notably through Cryptic - and the US publishing and licensing businesses.

As previously announced, Infogrames' Strategic Plan was designed to create a leading 21st century online gaming company by becoming a leader in online gaming and by transforming the Publishing Business. The latter by focusing on profitable online games and owned franchises including original driving franchises, MMOs and our Atari Classic games covering the entire history of the Video Game Industry. The Company also announced plans to reduce cost to better support the Company's strategy.

Corporate Rebranding

The Board agreed to **change Infogrames Entertainment's name to Atari**. This decision will enable us to make the best use of the Atari brand, capitalizing on worldwide strong name recognition and affinity, which are keys drivers to implement the Company's online, product and licensing strategies. Atari stock will still be listed on NYSE Euronext Paris and ISIN code will remain the same (FR0010478248), the ticker will become ATA.

Publishing strategy at Atari

The publishing business reorganization plan seeks to maximize non-online IP revenues through **monetization of licenses and development of co-publishing deals**.

The first steps of this action plan have already been implemented. For example, earlier this month, Atari announced its new worldwide launch plan for *Ghostbusters: The Video Game*, including an exclusive deal with Sony Computer Entertainment Europe for Europe and the PAL regions for the launch of the game on P3 and PS2.

Implementation of an additional cost cutting plan

As announced on February 13, 2009, the Group is implementing an **additional reorganization plan, to offset potentially protracted weakness in consumer demand and to progress further on its online operations**. This reorganization plan will reduce general and administrative expenses as well as working capital requirement due to:

- In Europe, the full divestiture of Distribution Partners, which is expected to close this summer;
- Sharp reductions in general and administrative expenses driven mainly from further staff reductions and reorganization, mainly at corporate and publishing; and
- A rationalization of the Group's offices worldwide.

This cost reduction program is expected to be completed in the next 6 months.

Outlook for 2009/2010

The Company reiterates its guidance of profitability. Current operating income is expecting to be at or above breakeven in the second half of this fiscal year excluding non recurring items. BlueBay has confirmed its trust in the ability of the Company to turn around its business to profitable growth.

In addition, highlights of the expected 2009/2010 products to be released by Atari include:

- Already released in the first quarter 2009/2010:
 - o *The Chronicles of Riddick, Assault on Dark Athena* (PS3, X-Box 360 and PC), which has been well received by critics
- To be released in the first quarter 2009/2010:
 - o *Ghostbusters: The Video Game* (in the US, on X-Box 360, DS, Wii, PC, PS3 and PS2).
 - o *Ghostbusters: The Video Game* (in Europe, on PS3 and PS2).
- Indicative expected release later this fiscal year / early next year:
 - o *Champions Online*, the first true action Massively Multiplayer Online Role Playing Game (MMORPG) powered by the groundbreaking Cryptic Engine, with Cryptic team devoted to working directly with gamers to deliver a great gaming experience (PC in September 2009, X-Box in Q3)
 - o *Star Trek Online*: with customizable ships and characters from the Klingon Empire and United Federation of Planets, ground, space and shipboard gameplay and unique options for player-generated content set in the Star Trek universe, *Star Trek Online* is the MMOG that allows gamers to boldly go where no one has gone before. This game is expected to benefit from the success of the newest Star Trek film (release for the video game expected by the end of this fiscal year)
 - o *Ghostbusters: The Video Game* (in Europe on PC, X-Box360, Wii) and PSP version, in autumn 2009
 - o Q3 (Qubed) (X-Box 360, in September 2009)
 - o Backyard Football (Wii, PS2, X-Box 360 in October)

Furthermore, Cryptic Studios is working on the development of a series of new games based on Atari's existing and historically successful IPs.

SIGNIFICANT INITIATIVES IMPLEMENTED DURING FY 2008/2009

Significant action has been taken in fiscal year 2008/2009 towards strengthening the implementation of Atari's online platform:

- The acquisition of Cryptic Studios, a leading MMO (massively multiplayer online) game creator, developer and operator, which owns state-of-the-art games and technology expected to boost Atari's online business growth;
- The divestiture of distribution operations to accelerate the shift towards online activities:
 - o the signing in February 2009 with Namco Bandai of the sale of 34% stake in Distribution Partners with definitive agreement establishing a strategic distribution partnership in Europe, New Zealand, Australia and Africa, with exclusive distribution rights of Namco Bandai and Infogrames' products and,
 - o the exercise, in March 2009 of the Company's put option to divest its remaining 66% in Distribution Partners to Namco Bandai;
- The issue, in January 2009, of convertible bonds into new or existing shares with warrants attached (ORANE-BSA) for €40.5 million principally in order to finance the acquisition of Cryptic Studios.
- The launch, in January 2009, of a simplified public exchange offering on Infogrames' 2008 ORANE and 2007 warrants (BSA);
- The finalization of the cost reduction program "Atari Transformation" to restructure the operations of the Group worldwide and the acquisition of Atari, Inc. shares not held by the Company.

Atari financial announcement calendar:

- 1st quarter 2009/2010 revenues will be released on July 24th, 2009

Forward looking statements:

This press release contains forward-looking statements with respect to the financial condition, results of operations, business, strategy and plans of Infogrames Entertainment, newly named 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 2007/2008 Document de référence of the group filed by Infogrames Entertainment with the Autorité des marchés financiers (French securities regulator) under number D.08-0577 and which is also available in English on Atari's corporate web site (www.corporate.atari.com). The present forward-looking statements are made as of the date of the present press release and Infogrames 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 Infogrames Entertainment and Atari:

The Infogrames group, now Atari, including the Atari brand and the massively multiplayer online game company Cryptic Studios, is a global producer, publisher and distributor of interactive entertainment software for all market segments and all interactive game platforms including consoles from Microsoft, Nintendo and Sony, advanced smartphones, Personal Computers, web and online. Its games are sold in more than 60 countries through an international distribution network and direct to consumers via www.atari.com. Atari's extensive catalogue of popular games is based on original franchises (Test Drive, Alone in the Dark, V-Rally, My Horse & Me, Backyard Sports franchise, Total Annihilation, Outcast etc.), Cryptic Studios titles (StarTrek Online, Champions Online), publishing properties (Ghostbusters, The Chronicles of Riddick, The Witcher, Race Pro etc.), international licenses (Dragon Ball Z, Dungeons & Dragons, Jamie Oliver etc.) and classic games covering the entire history of the video game industry (Pong, Missile Command, Asteroids etc).

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Preliminary note to the appendix

Note to the readers:

2007/2008 and 2008/2009 figures are under IFRS and have been restated where applicable under IFRS 5.

The net income of Distribution Partners business, in the process of being disposed of, is reported on the line "discontinued operations" as of April 1, 2007. 2007/2008 and 2008/2009 Group sales and continued operating income exclude Distribution Partners business.

APPENDIX I

Segment details

(as restated by IFRS 5, unaudited data)

Breakdown of revenues by quarter

<i>in € million</i>	Actual 2008/2009	Actual 2007/2008
1st Quarter (April - June)	41,9	12,2
2nd Quarter (July - Sept.)	12,6	9,8
3rd Quarter (Oct. - Dec.)	39,1	53,0
4th Quarter (Jan. - March)	42,8	15,3
TOTAL	136,4	90,3

Fourth quarter 2008/2009 revenues

Fourth quarter revenues amounted to €42.8 million compared to €15.3 million for the comparable period last year, representing an approximately 180% increase, mainly resulting from high growth in US distribution revenues and a higher number of titles released compared to last year, such as Race Pro.

Breakdown of revenues and gross margin by segment

<i>In € million</i>	Actual FY 2008/2009		Actual FY 2007/2008		% change at current exchange rate
European publishing operations	42,2	31,0%	38,5	42,7%	9,6%
US distribution	93,9	68,8%	51,5	57,0%	82,3%
Other	0,3	0,2%	0,3	0,3%	0,0%
Total Revenues	136,4	100,0%	90,3	100,0%	51,0%
European publishing operations	11,2	23,1%	12,1	28,4%	-7,5%
% gross margin	27%		31%		-4%pts
US distribution	37,0	76,3%	30,3	71,0%	22,2%
% gross margin	39%		59%		-20%pts
Other	0,3	0,6%	0,3	0,6%	0,0%
Total Gross margin	48,5	100,0%	42,7	100,0%	13,6%
% gross margin	36%		47%		

Breakdown of revenues by platform

	Actual FY 2008/2009	Actual FY 2007/2008
PS3	12%	0%
Xbox 360	26%	1%
NDS	15%	32%
Wii	15%	18%
PC	22%	35%
PS2	8%	8%
PSP	2%	6%
Other	0%	0%

APPENDIX II

Infogrames Entertainment and Atari Statement of Income

(as restated by IFRS 5, unaudited data)

Infogrames considers Atari Net Income (adjusted), a non-GAAP measure, as a relevant indicator of the Group's operating and financial performance. Infogrames Management uses Atari Net Income (adjusted), because it provides a better illustration of the performance from continuing operations, especially for FY 08/09, which was a year of transformation, by excluding most non-recurring and non-operating items related to costs of transformation.

Atari Net Income/Loss (adjusted) should be considered in addition to, and not as a substitute for, other IFRS/GAAP measures.

<i>in €m - IFRS 5</i>	Infogrames Entertainment		Main costs of transformation		Atari (Adjusted)	
	2008/2009	2007/2008	2008/2009	2007/2008	2008 / 2009	2007 /2008
Revenues, net	136,4	90,3	-	-	136,4	90,3
Cost of Goods Sold	(87,9)	(47,6)	(3,8)	-	(84,1)	(47,6)
Gross Margin	48,5	42,7	(3,8)	-	52,3	42,7
<i>% margin</i>	36%	47%			38%	47%
Research & development expenses	(67,0)	(46,5)	(27,1)	-	(39,9)	(46,5)
Marketing & selling expenses	(19,0)	(15,6)	-	-	(19,0)	(15,6)
General & administrative expenses	(25,0)	(30,5)	-	-	(25,0)	(30,5)
Share based non cash incentive	(6,4)	(3,5)	-	-	(6,4)	(3,5)
Current Operating Income (loss)	(68,9)	(53,4)	(30,9)	-	(38,0)	(53,4)
Gain (loss) on disposal of assets	(0,1)	13,3	-	13,3	(0,1)	-
Restructuring expenses	(13,9)	(12,3)	(13,9)	(12,3)	-	-
Impairment of Goodwill	(40,3)	-	(40,3)	-	-	-
Other non Current Operating Income (expense)	0,0	(0,1)	0,0	(0,1)	-	-
Operating Income (loss)	(123,2)	(52,5)	(85,1)	0,9	(38,1)	(53,4)
Cost of debt	(7,7)	(11,6)	-	-	(7,7)	(11,6)
Other financial income (expenses)	(4,1)	(1,4)	-	-	(4,1)	(1,4)
Income tax	(1,1)	(0,1)	-	-	(1,1)	(0,1)
Profit (loss) from continued operations	(136,1)	(65,6)	(85,1)	0,9	(51,0)	(66,5)
Profit (loss) from discontinued operations	(90,8)	3,1	(90,8)	3,1	-	-
Consolidated Net Income (loss)	(226,9)	(62,5)	(175,9)	4,0	(51,0)	(66,5)
Minority Interests	0,8	11,4	-	-	0,8	11,4
Net income (loss)	(226,1)	(51,1)	(175,9)	4,0	(50,2)	(55,1)

APPENDIX III

Details of main costs of transformation

(as restated by IFRS 5, unaudited data)

2008/2009

in €m - IFRS 5

	Main costs of transformation				Total main costs of transformation
	Write-offs & depreciation due to publishing reorg.	GW impairment	Restructuring expenses	Discontinued operations	
Revenues	-	-	-	-	-
Cost of Goods Sold	3,8	-	-	-	3,8
Gross Margin	3,8	-	-	-	3,8
Research & development expenses	27,1	-	-	-	27,1
Marketing & selling expenses	-	-	-	-	-
General & administrative expenses	-	-	-	-	-
Share based no cash incentive	-	-	-	-	-
Current Operating Income (loss)	30,9	-	-	-	30,9
Restructuring expenses	-	-	13,9	-	13,9
Impairment of Goodwill	-	40,3	-	-	40,3
Operating Income (loss)	30,9	40,3	13,9	-	85,1
Cost of debt	-	-	-	-	-
Other financial income (expenses)	-	-	-	-	-
Income tax	-	-	-	-	-
Profit (loss) from continued operations	30,9	40,3	13,9	-	85,1
Profit (loss) from discontinued operations	-	-	-	90,8	90,8
Consolidated Net Income	30,9	40,3	13,9	90,8	175,9
Minority Interests	-	-	-	-	-
Net income (loss)	30,9	40,3	13,9	90,8	175,9

2007/2008

	Main cost of transformation				Total main costs of transformation
	Write-offs & depreciations	GW impairment	Restructuring expenses / Gain / (loss) on disposal of assets	Discontinued operations	
Revenues	-	-	-	-	-
Cost of Goods Sold	-	-	-	-	-
Gross Margin	-	-	-	-	-
Research & development expenses	-	-	-	-	-
Marketing & selling expenses	-	-	-	-	-
General & administrative expenses	-	-	-	-	-
Share based no cash incentive	-	-	-	-	-
Current Operating Income (loss)	-	-	-	-	-
Gain (loss) on disposal of assets	-	-	(13,3)	-	(13,3)
Restructuring expenses	-	-	12,3	-	12,3
Impairment of Goodwill	-	-	-	-	-
Other non Current Operating Income (expense)	-	-	0,1	-	0,1
Operating Income (loss)	-	-	(0,9)	-	(0,9)
Cost of debt	-	-	-	-	-
Other financial income (expenses)	-	-	-	-	-
Income tax	-	-	-	-	-
Profit (loss) from continued operations	-	-	(0,9)	-	(0,9)
Profit (loss) from discontinued operations	-	-	-	(3,1)	(3,1)
Consolidated Net Income	-	-	(0,9)	(3,1)	(4,0)
Minority Interests	-	-	-	-	-
Net income (loss)	-	-	(0,9)	(3,1)	(4,0)

APPENDIX IV

Balance sheet

(unaudited data)

Note to the readers:

Balance sheet as of March 31, 2009 includes Distribution Partners accounted for as discontinued operations

Balance sheet as of March 31, 2008 has not been restated as per IFRS 5

Atari's Balance sheet adjusted does not include Distribution Partners business and assumes that Distribution Partners divestiture would have been completed as of March 31, 2009.

Atari's balance sheet should be considered in addition to, and not as a substitute for, IFRS/GAAP balance sheet. Atari's balance sheet adjusted numbers are estimates for indication purposes only. Final numbers would be available once the disposal of the 66% of Distribution Partners to Namco Bandai Games Europe will be completed. Transaction is expected to be completed by summer 2009. Final cash/receivable numbers may vary depending on conclusion of ongoing due diligence.

	Infogrames Entertainment March 31, 2008	Infogrames Entertainment March 31, 2009	+ Adjustments =	Atari (adjusted) March 31, 2009
<i>in €m</i>				
Goodwill	77,9	34,9	-	34,9
Intangible assets	43,1	44,6	-	44,6
Tangible assets	5,5	4,9	-	4,9
Financial assets	2,9	3,5	-	3,5
Deferred tax assets	5,6	(0,1)	-	(0,1)
Non current assets	135,0	87,8	-	87,8
Inventories	24,5	3,0	-	3,0
Trade receivable	43,1	19,2	16,5	35,7
Income tax assets	0,2	1,1	-	1,1
Other current assets	17,7	7,6	-	7,6
Cash and cash equivalents	83,4	5,9	30,0	35,9
Current assets classified as held for sale	0,0	85,3	(85,3)	-
Current assets	168,9	122,1	(38,8)	83,3
Total Assets	303,9	209,9	(38,8)	171,1
Shareholders' equity attributable to the Group	153,4	(17,5)	20,2	2,7
Minority interest	6,5	(8,8)	8,8	-
Total shareholders' equity	159,9	(26,3)	29,0	2,7
Provision, non-current	12,5	0,2	-	0,2
Borrowings, non-current	0,0	11,2	-	11,2
Other non-current liabilities	6,2	26,9	(0,0)	26,9
Non current liabilities	18,7	38,3	(0,0)	38,3
Provision, current	3,4	8,0	-	8,0
Borrowings, current	22,9	51,1	-	51,1
Trade payables	79,4	49,2	(0,0)	49,2
Other current liabilities	19,6	21,8	(0,0)	21,8
Liabilities classified as held for sale	-	67,8	(67,8)	-
Current liabilities	125,3	197,9	(67,8)	130,1
Total equity and liabilities	303,9	209,9	(38,8)	171,1

APPENDIX V

Details on Balance sheet adjustments from Infogrames Entertainment to Atari

(Unaudited data)

<i>in €m</i>	Adjustments		Total Atari adjustments
	Cash and Trade receivable related to the sale of the 66% in DP	Sale of DP-elimination of assets and liabilities	
Goodwill			-
Intangible assets			-
Tangible assets			-
Financial assets			-
Deferred tax assets			-
Non current assets	-	-	-
Inventories			-
Trade receivable	16,5		16,5
Income tax assets			-
Other current assets			-
Cash and cash equivalents	30,0		30,0
Current assets classified as held for sale		(85,3)	(85,3)
Current assets	46,5	(85,3)	(38,8)
Total Assets	46,5	(85,3)	(38,8)
Shareholders' equity attributable to the Group	-	20,2	20,2
Minority interest		8,8	8,8
Total shareholders' equity	-	29,0	29,0
Provision, non-current			-
Borrowings, non-current			-
Other non-current liabilities			-
Non current liabilities	-	-	-
Provision, current			-
Borrowings, current			-
Trade payables			-
Other current liabilities	-	-	-
Liabilities classified as held for sale		(67,8)	(67,8)
Current liabilities	-	(67,8)	(67,8)
Total equity and liabilities	-	(38,8)	(38,8)

APPENDIX VI

Cash flow statement

(unaudited data)

<i>in €m</i>	FY08/09	FY07/08
Consolidated net income (loss)	(226,9)	(62,5)
Discounted operations	90,8	(3,1)
Non-cash expenses and revenues	102,6	24,2
Cost of debt	7,7	11,6
Taxes (deferred and payable)	1,1	0,2
Cash Flow before net cost of debt servicing and taxes	(24,7)	(29,6)
Income taxes paid	(0,0)	(0,0)
Change in working capital	(28,9)	12,3
Net cash flow from (used for) operations - continuing	(53,6)	(17,3)
Net cash flow from (used for) operations- discontinued	(22,1)	(4,1)
Total net cash flow from (used for) operations	(75,7)	(21,4)
Disbursements for purchases of non-current asset	(47,7)	(37,5)
Proceeds from disposals of non-current assets	-	12,7
Changes in scope	(30,9)	-
Net cash flow from (used for) investing - continued	(78,6)	(24,8)
Net cash flow from (used for) investing- discontinued	22,6	0,5
Total net cash flow from (used for) investing	(56,0)	(24,3)
Net funds raised by		
Equity	38,6	151,6
Debt	51,1	38,9
Net funds disbursed for		
Net interest and fee expenses	(4,9)	(9,8)
Debt payment	(17,7)	(95,9)
Net cash flow from (used for) financing - continued	67,1	84,8
Net cash flow from (used for) financing- discontinued	2,4	(1,1)
Total net cash flow from (used for) financing	69,5	83,7
Effect of exchange rate	-	(1,2)
Change in net cash	(62,2)	36,8
Cash from continuing operations	5,9	70,2