

**INFOGRAMES***Entertainment***FISCAL 2007-2008**

(Unaudited figures)

**REVENUES FOR THE FIRST NINE MONTHS AT €223.6 MILLION  
THIRD QUARTER SALES AT €132.4 MILLION****1. NET REVENUES - FIRST NINE MONTHS OF FISCAL 2007-2008 - (Unaudited figures) - (April to December 2007)**

Infogrames Entertainment announced that consolidated net revenues from ordinary business for the nine-month period ended on December 31, 2007 were €223.6 million as compared to €221.9 million for the nine-month period of last fiscal year. At a constant exchange rate, consolidated net revenues for the period would have been up 2.4% at €227.2 million.

In the continuity of what was announced during the half-year results press release, business continued to grow in Europe and Asia over the first nine months, and were up by 21% and 26% respectively compared to the same period of prior year. These two regions represented 81% of total revenues as compared to 67% last year.

Net revenues from United States operations reached 42.9 million euros which represents a 42% decrease from a year ago. The poor commercial performances of Atari Inc led to the implementation of a restructuring plan aimed at focusing the subsidiary's business exclusively on the activities of publishing and distribution in North America.

Net revenues by region were as follows (at a current exchange rate):

In million of euros	<b>9 months 2007-2008</b>		<b>9 months 2006-2007</b>		<b>Change</b>	
<b>Europe</b>	156.0	70%	128.6	58%	+ 27.4	+ 21%
<b>United States</b>	42.9	19%	73.7	33%	- 30.8	- 42%
<b>Asia</b>	24.7	11%	19.6	9%	+ 5.1	+ 26%
<b>Total</b>	<b>223.6</b>	<b>100%</b>	<b>221.9</b>	<b>100%</b>	<b>+ 1.7</b>	<b>1%</b>

Sales breakdown by platform format was as follows:

- <i>Playstation 2</i>	34%
- <i>Mass-market consoles (Nintendo DS and Wii)</i>	28%
- <i>PC</i>	17%
- <i>Next generation consoles (XBox 360 and Playstation 3)</i>	13%
- <i>PSP</i>	8%

## 2. NET REVENUES - THIRD QUARTER OF FISCAL 2007-2008 (Unaudited figures) (October to December 2007)

Net revenues for the third quarter of the current fiscal year totaled € 132.4 million, an increase of 13.8% from the same period of the previous year. Revenue by region as follows:

In million of euros	Q3 2007-2008		Q3 2006/2007		Change	
<b>Europe</b>	92.4	70%	73.7	63%	+ 18.7	+ 25%
<b>United States</b>	28.2	21%	34.7	30%	- 6.5	- 19%
<b>Asia</b>	11.8	9%	8.0	7%	+ 3.8	+ 48%
<b>Total</b>	<b>132.4</b>	<b>100%</b>	<b>116.4</b>	<b>100%</b>	<b>+ 16.0</b>	<b>+ 14%</b>

Europe and Asia, with combined sales of 104.2 million euros (up by 27.5% from the same period a year ago), represented 79% of the total sales of the period.

Operations in the United States were down 19% from last year and generated 28.2 million euros in revenues.

Consolidated sales for the quarter were up 13.8% from the third quarter of last year, reflecting the success of certain games, including:

- *The Witcher* for PC, the Company's new RPG franchise.
- *Asterix at the Olympics* for Nintendo DS, Wii, Playstation 2 and PC, which posted good sales ahead of the January 2008 release of the movie by the same name.
- Games published under the Namco/Bandai license, such as *DBZ Budokai 2* and *3* for Playstation 2, *Naruto Ultimate Ninja* for PS2, *Ace Combat* and *Eternal Sonata* for XBox 360, etc.

### 3. LIQUIDITY AS OF DECEMBER 31, 2007 AND PROFORMA (Unaudited figures)

The company's liquidity evolved as follows during the period:

In million of euros	March 31, 2007	Dec. 31, 2007	Dec. 31, 2007 (pro forma)*	Short-term debt	Long-term debt
Banc of America	46.3	74.9	34.9	-	34.9
Factoring, overdrafts, etc.	17.8	44.2	44.2	40.8	3.4
Production funds	17.1	2.3	2.3	2.3	-
BlueBay (Atari Inc.)	-	9.5	9.5	9.5	
OCEANE bonds	5.9	5.9	5.9	-	5.9
ORANE bonds	-	-	2.9	-	2.9
<b>Total debt</b>	<b>87.1</b>	<b>136.8</b>	<b>99.7</b>	<b>52.6</b>	<b>47.1</b>
<b>Cash</b>	<b>46.6</b>	<b>18.3</b>	<b>122.8</b>	<b>122.8</b>	<b>-</b>

\* The "pro-forma" column shows the impact of the ORANE bonds issued on January 4, 2008. Proceeds amounted to 150.0 million euros in cash, of which 40.0 million euros were used to repay debts to Banc of America and 5.5 million euros were deducted as transaction fees; 2.9 million euros were also recorded reflecting the present value of the future interests of the ORANE.

Before accounting for the ORANE transaction, Group is presenting at December 31, 2007 a net debt of €118,5m which includes €18.3m of cash and a total debt of 136.8 million euros. Total debt has increased by 49.7 million euros, primarily as a result of:

- additional funding from Banc of America (€26.5 million - agreement of June 20, 2007);
- a new line of credit provided to Atari Inc by BlueBay (€9.5 million - US\$ 14 million);
- New factoring and overdraft facilities in Europe for €28.1 million;
- Repayments of €15.9 million to production funds.

After recognizing the impact of the ORANE bond transaction, which resulted in proceeds of €150 million, out of which €40m were used to repay Banc of America's credit line, the Group had a pro forma cash position of €122.8 million as of December 31, 2007.

### 4. INFORMATION CONCERNING ATARI INC.(\*)

#### ➤ Financial results for the third quarter of fiscal 2007- 2008

Net revenue for the third quarter ended December 31, 2007, was \$41.1 million versus \$47.3 million in the comparable year-earlier period. Publishing net revenue was \$35.2 million, versus \$46.0 million in the prior year, while distribution revenue was \$5.9 million, versus \$1.3 million in the comparable year-earlier period.

Net loss for the third quarter ended December 31, 2007 was \$0.3 million, or \$0.03 loss per share, compared to net loss of \$0.6 million, or \$0.05 loss per share, in the year-earlier period. Without restructuring charges of \$3.7 million, the loss for the third quarter ended December 31, 2007 would have been income of \$3.4 million or \$0.25 income per share.

Net revenue for the nine months ended December 31, 2007, was \$64.8 million versus \$95.3 million in the comparable year-earlier period. Publishing net revenue was \$56.2 million, versus \$78.8 million in the prior year's nine month period, while distribution revenue was \$8.6 million, versus \$16.5 million in the comparable year-earlier period.

Net loss for the nine months ended December 31, 2007 was \$20.0 million, or \$1.48 loss per share, compared to net loss of \$8.0 million, or \$0.59 loss per share, in the year-earlier period.

As of December 31, 2007 and through February 12, 2008, Atari, Inc. was in violation of its financial covenants. BlueBay High Yield Investments (Luxembourg) S.A.R.L., Atari, Inc.'s lender and a majority shareholder of Infogrames Entertainment S.A., has not waived this violation and has entered into a forbearance agreement with Atari, Inc. which states its lender will not exercise its rights on its facility until the earlier of (i) March 3, 2008, (ii) additional covenant defaults except for the ones existing as of February 12, 2008 or (iii) if any action transpires which is viewed to be adverse to the position of the lender. Atari, Inc. continues to pursue a resolution with its lender, however, there is no guarantee a resolution will ultimately be made.

#### ➤ **Principal announcements by Atari Inc. during the period**

- Changes in the board of directors and a priority placed on Atari Inc.'s recovery (October 5, 2007)
- Appointment of four outside directors and of Curtis Solsvig III as chief restructuring officer (October 15, 2007)
- A US\$ 10-million credit facility from Bluebay (October 25, 2007)
- Publication of the first quarter results for fiscal 2007-2008 (November 6, 2007)
- Refocusing of the business on publishing and distribution in North America and departure of chief executive officer David Pierce (November 13, 2007)
- Announcement of the second quarter results for fiscal 2007-2008 (November 19, 2007)
- Three major steps in the restructuring of Atari Inc (December 10, 2007)
- Notification by the Nasdaq market authorities of Atari Inc.'s failure to comply with regulations pertaining to the listing of its shares (December 21, 2007)

*\* All information concerning Atari Inc. can be found on the company's website, at [www.atari.com](http://www.atari.com) / Investor relations, or on the Infogrames Entertainment website at [www.infogrames.com](http://www.infogrames.com)*

## **5. OUTLOOK**

The year 2007 was a turning point in the rebuilding of the Infogrames Group, both in terms of its structure and in terms of its ability to invest for the future.

### **2008: A year to jump forward**

With the gaming market expected to grow over the next 3 years, 2008 will be a year in which the group sets renewed revenue growth goals and with its additional financial resources targets investments in profitable projects in order to regain its place among the leaders in the interactive entertainment industry.

**The recent appointment of David Gardner as Infogrames' Chief Executive Officer represents a major development for the Group.**

A former executive at Electronic Arts for 25 years, Mr. Gardner will contribute high-level expertise to the Group, thanks to his knowledge and vision of the sector. He's firmly convinced that the company has considerable assets and talent and his primary objectives will be to:

- reinforce the efficiency of the distribution network,
- rebuild studio ability to accelerate digital/Internet developments,
- relaunch one of the biggest consumer brands (Atari) in History
- recruit new world class talent, a key success factor in this industry.

Releases scheduled for the last quarter of the current fiscal year include: Dragon Ball Z Budokai Tenkaichi 3 Wii, Naruto Uzumaki Chronicles 2 Playstation 2, Godzilla Unleashed Wii, Nintendo DS, Playstation 2, Jenga Wii, 3 Namco titles (Beautiful Katamari Xbox 360, Namco Museum 2 NDS, Namco Museum Remix Wii).

Group is working actively on finalizing the release of Alone in the Dark in early Fiscal Year 2009. While this will impact 4<sup>th</sup> quarter year over year revenue comparisons we believe it is the right choice to maximize the quality and value of the franchise by allowing adequate development and marketing schedules.

Titles we plan to release during the next fiscal year of 2008-2009: the opus in the company's Alone In The Dark franchise, for XBox 360, Wii, Playstation 2 and PC, Legendary PS3, Xbox 360, PC – Airborne Rangers PS3, Xbox 360, PC - NeverWinter Night 2 Expansion Pack2 PC - Alone In The Dark PS3, Panoramix Brain Trainer NDS - Hogs of War 2, NDS, Wii, PS2, PC - Astérix aux Jeux Olympiques Xbox 360 - Lucky Luke: Daltons NDS - My Horse & Me 2 NDS, Wii, PC, PS2, X360

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Next financial information event:

Publication of the annual revenue figures for fiscal 2007-2008: May 14, 2008

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**About Infogrames Entertainment and Atari**

*Infogrames Entertainment (IESA), the parent company of the Atari Group, is listed on the Paris Euronext stock exchange (ISIN code: FR-0000052573 – Eurolist Compartment B) and has two principal subsidiaries: Atari Europe, a privately-held company, and Atari, Inc., a United States corporation listed on NASDAQ (ATAR).*

*The Atari Group is a producer, publisher and distributor of interactive entertainment software for all market segments and in all existing game formats (Microsoft, Nintendo and Sony) and on CD-ROM for PC. Its games are sold in more than 60 countries.*

*The Atari Group's extensive catalogue of popular games is based on original franchises (Alone in the Dark, V-Rally, Test Drive, etc.) and international licenses (Dragon Ball Z, Dungeons & Dragons, etc.).*

*For more information: <http://www.infogrames.com>*

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## ATTACHMENT

In millions of euros	<b>Fiscal 2007-2008</b>		<b>Fiscal 2006-2007</b>		<b>Change</b>	
<b>First quarter</b> (April-June)	50.1	22%	44.4	20%	5.7	13%
<b>Second quarter</b> (July-September)	41.1	18%	61.1	28%	-20.0	-33%
<b>Third quarter</b> (October-December)	132.4	59%	116.4	52%	16.0	14%
<b>Total</b>	<b>223.6</b>	<b>100%</b>	<b>221.9</b>	<b>100%</b>	<b>1.7</b>	<b>1%</b>