



THREE NEW STEPS IN ATARI INC.'S RESTRUCTURING PROCESS

- **BlueBay credit line increased to \$14 million**
 - **New distribution agreement signed by Atari Inc. and Infogrames Entertainment**
- **Agreement with FUNimation on Dragon Ball Z license**

Lyon, France, December 10, 2007 - Infogrames announced today that its US subsidiary Atari Inc. (Nasdaq: ATAR) had completed three major steps in the implementation of its restructuring plan aimed at improving its financial position and bringing stability to its operations.

BlueBay High Yield Investments credit facility raised to \$14 million

Atari Inc. has secured an increase of \$4 million in the credit facility extended to it on October 24, 2007 by BlueBay High Yield Investments, which will increase its borrowing capacity from \$10 million to \$14 million.

The additional financing will enable Atari Inc. to meet its funding commitments, including its holiday season financing needs.

New distribution agreement between Atari Inc. and Infogrames Entertainment

Simultaneously with the increase in the credit facility and as part of the move to reposition Atari Inc. as a publisher and distributor in North America, a new distribution agreement was signed on December 4 by Atari Inc. and Infogrames Entertainment.

It is valid for a period of three years (but could be reduced to two years if certain performance targets are not met) and is automatically renewable on an annual basis. The new agreement covers the distribution by Atari Inc. of products published by the Infogrames Group.

Under the distribution agreement, Atari Inc will retain 30% of net receipts from the distribution of the products concerned. Infogrames and Atari Inc. are committed to negotiating a agreement on the same terms for the distribution by Infogrames of Atari Inc. products outside North America.

Additionally, as part of the agreement, Infogrames will have exclusive responsibility for the URL www.atari.com, as part of a global online project. Atari Inc. has also granted Infogrames a license to the Atari name in North America in connection with this initiative.

The overall agreement also terminates the agreements under which Atari provided support services to other Infogrames subsidiaries in the United States and production services (game production, software acceptance testing) to the rest of the Infogrames Group, as well as the agreement under which Infogrames provided certain management services to Atari Inc.

As part of the termination of the agreements and the reduction in its activities, Atari Inc. has transferred certain of its production and development employees to Infogrames.

Confirmation of the FUNimation license to Dragon Ball Z

Atari Inc has announced that it would continue to work in partnership with FUNimation regarding the interactive rights to the Dragon Ball Z franchise in the United States through January 2010 (under an agreement signed December 4, 2007), and that a settlement had been reached in the dispute previously reported between the two companies.

Atari Inc currently distributes Dragon Ball Z Budokai Tenkaichi 3 for PlayStation 2 and Nintendo Wii.

The full text of the Atari Inc. announcements (press release and Form 8-K) is accessible at www.atari.com / Investor Relation.

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) 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.atari.com>

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