



ATARI SA

A French corporation (*Société Anonyme*)
with capital of 25.034.035 Euros
Principal office: 78 rue Taitbout - 75009 Paris - France
Paris Trade and Company Registry No. 341 699 106

ATARI FREE SHARE PLAN

Paris, France – October 7, 2011 - Atari (hereafter “the Company” or “Atari”) announces that its Board of Directors has decided the implementation of a free share plan for the Group’s employees and officers, pursuant to the provisions of Articles L. 225-197-1 *et seq.* of the French Commercial Code.

FEATURES OF THE PLAN

Atari’s Board of Directors met on May 23, 2011 and September 30, 2011 and decided - as permitted by the resolution 19 of the Special Shareholders’ Meeting of September 30, 2009 and by Articles L. 225-197-1 *et seq.* of the French Commercial Code – to grant free shares to some of the employees and officers (hereafter the “Beneficiaries”) of Atari S.A., Atari Inc. and some of Atari’s subsidiaries headquartered in France pursuant to the provisions of Articles L.225-197-2 of the French Commercial Code (hereafter the “Subsidiaries”).

Atari intends to engage its employees and officers to the development of the Atari group, the implementation of its strategy and its future results, and retain those individuals deemed to be key staff members by the Board of Directors, upon recommendation of the Nomination and Compensation Committee and in accordance with applicable regulatory prescriptions. Consequently, the definitive vesting of the shares is contingent to performance and presence criteria.

Beneficiaries and number of shares granted by the Board of Directors: For both plans, the Board of Directors has decided to grant a total number of 1,687,290 shares of the Company. For both plans, the grant of the shares is subject to the achievement of performance and presence criteria.

The vested shares shall be either newly issued shares or existing shares held by the Company, at the option of the Company. In the case of new shares being issued, a request for listing will be carried out.

Vesting date, lock up period and final grant criteria: The vesting period applicable to the shares awarded to the Beneficiary shall end two (2) years from the initial grant date of the free shares. Vesting rights of the shares (contingent on performance and presence criteria) will apply, each year, on half of the free shares. The lock up period is established for two (2) years after the vesting date. The Beneficiary shall be present in the Group at the final grant date and at the vesting date of the shares.

Rights attached to the shares: The shares delivered at the end of the vesting period shall be governed by the articles of incorporation and bylaws, and all related provisions applicable to shares of common stock issued by the Company. They shall be entitled to the same dividends as other shares of common stock with the same nominal value. At the end of the vesting period, pursuant to the conditions of the plan, vested shares shall be registered in an account in the name of their holder. When disposing of their shares, the Beneficiaries shall comply with the restrictions of article L. 225-197-1 of the French Commercial Code and by the Group deontological rules.

The information provided in the document is for informational purpose only for the Beneficiaries and summarize the main terms and conditions of the free shares plan. In case of discrepancies between

information contained in this document and the Free Shares plan, the plan will prevail.

This document constitutes the press release required by the AMF (*Autorité des Marchés Financiers*) in accordance with Articles 212-4 5° and 212-5 6 ° of the AMF General Regulation and Article 14 of circular n°2005-11 of December 13, 2005.

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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