



PREANNOUNCEMENT OF 2015-2016 FIRST-HALF EARNINGS (APRIL 1 - SEPTEMBER 30, 2015)

(Data audit currently being finalized)

- ***Operational turnaround confirmed***
- ***Net financial debt reduced to -€0.8 million excluding Alden debt***
- ***Preorders for RollerCoaster Tycoon World of over €2 million to date, but with no impact on the accounts at September 30, 2015***

Paris, France – December 30, 2015. The update at September 30, 2015 (six months) of Atari's 2014-15 reference document (annual document filed with the French securities regulator - AMF - on August 4, 2015 under number D.15-0825) is currently being finalized. The Board of Directors will be meeting at the start of January 2016. While waiting for these half-year accounts to be definitively closed and this update to be filed in January 2016, the Atari Group is releasing its main aggregates as at September 30, 2015, which confirm the Group's recovery as of such date.

At September 30, 2015, revenues totaled €4.2 million. This figure does not include the €1.8 million of casino licensing revenues, which were signed up at September 30, 2015, but will contribute to revenues for subsequent periods. First-half revenues also exclude the firm preorders for RollerCoaster Tycoon World, with over €2.0 million recorded to date.

At the same date, income from ordinary operations represented -€0.4 million, compared with -€1.6 million at September 30, 2014, in line with the Group's forecasts. This figure does not include the positive contribution by these two elements, i.e. €1.2 million for casino licensing revenues, and nearly €1.6 million for RollerCoaster Tycoon World preorders.

Casino licensing revenues

The Atari Group has entered into significant licensing agreements in the online casino sector: these licenses are already in force and the Atari Group has fulfilled all its obligations and completed its investments in this area.

Although some of these contracts (€1.8 million) were covered by binding deals signed at September 30, 2015, they will exclusively contribute to revenues for subsequent periods. These deferred revenues will contribute to the Group's profit in subsequent periods based on their net margin of €1.2 million.

Preorders for RollerCoaster Tycoon World of over €2 million to date

Firm preorders for RollerCoaster Tycoon World, a PC game scheduled for release at the start of 2016, represented over €2 million by December 18, 2015. This high level of preorders confirms the Group's ability to become successful again, as well as its future results. These preorders are not reflected in the earnings reported at September 30, 2015. They will be reported in the second-half revenues and will make a positive contribution to full-year income from ordinary operations for FY 2015-16 based on their net margin of €1.6 million.

The Atari Group is continuing to actively promote RollerCoaster Tycoon World, particularly with a special promotional program from the start of 2016 to support the game's effective release.

The most recent version of RollerCoaster Tycoon World was streamed on December 18, 2015 and proved particularly popular with fans. Further streams are scheduled for January 2016. All the latest RollerCoaster Tycoon World news and updates on these stream sessions are regularly announced on www.rollercoastertycoon.com.

Main aggregates at September 30, 2015

In view of the elements indicated above, the main indicators for the accounts for the first-half ended September 30, 2015 are as follows:

- €4.2 million in revenues at September 30, 2015, versus €3.5 million for the same period the previous year;
- -€0.4 million in income from ordinary operations at September 30, 2015, in line with the Group's forecasts, versus -€1.6 million for the same period the previous year;
- -€1.4 million net loss at September 30, 2015, versus -€2.3 million for the same period the previous year;
- -€0.8 million in net financial debt excluding the Alden debt, which represented €12.4 million at September 30, 2015;
- -€13.6 million in shareholders' equity at September 30, 2015, versus -€13.1 million at March 31, 2015.

In million euros (6 months)	Sep 30, 15	Sep 30, 14	Mar 31, 15
Revenues	4.2	3.5	7.6
Income from ordinary operations	-0.4	-1.6	0.2
Operating income	-1.1	-1.6	1.5
Net profit (Net loss)	-1.4	-2.3	1.2

Net debt excluding Alden represented -€0.8 million at September 30, 2015 and is primarily due to mature in 2020. Financial expenses on the Alden Loan have been calculated at the legal interest rate since the court ruling in favor of Atari in July 2015 setting this rate. They represent €0.1 million on an annual basis, compared with €1.2 million previously. The legal proceedings with Alden are still underway and the situation concerning this loan is presented in the appendix.

Outlook for 2015-2016

The Company is still in a relaunch phase for its business and is focused on breaking even in terms of operating income for 2015-16, with a profitable second half of the year considering the seasonal trends for product releases. In view of its first-half earnings, it can confirm that this target has been achieved.

In addition to video games, for which the objectives are set out below, the Group is moving forward with its development in the media sector for 2016 and 2017. New television and internet partnership agreements are being targeted to effectively capitalize on the Atari brand and the catalogue of over 200 world-renowned games.

The Group is currently working on relaunching its catalogue. The strategy is focused on download games, MMO games, mobile games and licensing activities, based in priority around traditional franchises.

Several products are already in operation or under production, either directly or on a co-investment basis, including:

- ROLLERCOASTER TYCOON WORLD for PC (offline or online, solo or multiplayer game), enabling players to create original theme parks with incredible attractions. This is the follow-up to RollerCoaster Tycoon 3 for PC.
- PRIDEFEST, an LGBT-friendly mobile social simulation game, enabling players to manage their cities and design their own parades, while creating a network of friends.

For FY 2015-2016, Atari's strategy is still focused on four priorities:

- Continuing to move forward with the business recovery and turnaround plan;
- Capitalizing on the Atari brand and the intellectual property portfolio thanks to strategic partnership and licensing activities;
- Limiting the risks involved by focusing on partnerships: Atari is looking into commercial partnerships on a case-by-case basis with a view to maximizing the benefits of its vast intellectual property portfolio, its brand and all its assets;
- Limiting operating expenditure and striving to improve profitability: Atari is continuing to ensure strict control over investments and costs.

Disclaimer

This press release contains forward-looking statements concerning Atari's financial position, operational results, business, strategy and plans. Although Atari believes that such forward-looking statements are based on reasonable assumptions, they 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, particularly the risks described in the 2014-15 Reference Document, which was filed by the Group with the French securities regulator (Autorite des marches financiers) on August 4, 2015 under number D.15-0825 and which is also available on Atari's website (<http://www.atari.com>). These forward-looking statements are made as of the date of this press release and Atari makes no undertaking in any form to publish updates or adjustments to any forward-looking statements, whether as a result of new information, future events or otherwise.

About Atari

Atari (www.atari.com) is an interactive entertainment production company founded in 1972. As an iconic brand that transcends generations and audiences, the company is globally recognized for its multi-platform, interactive entertainment and licensed products. Atari owns and/or manages a portfolio of more than 200 games and franchises, including world-renowned brands like Asteroids®, Centipede®, Missile Command®, Pong®, or Test Drive®. Atari has offices in New York and Paris. © 2016 Atari Interactive, Inc. All rights reserved. Atari word mark and logo are trademarks owned by Atari Interactive, Inc.

Contacts

Atari - Philippe Mularski, Chief Financial Officer
Tel +33 1 83 64 61 58 - pm@atari-sa.com

Calyptus - Marie Calleux
Tel + 33 1 53 65 68 68 - atari@calyptus.net

APPENDIX

NET FINANCIAL DEBT

(€) millions	September 30th 2015	March 31st 2015
OCEANEs 2003-2020	(0,6)	(0,6)
OCEANEs 2020	(1,2)	(1,2)
Others	(0,8)	(0,7)
Gross financial debt (excluding Alden)	(2,7)	(2,5)
Cash and cash equivalents	1,9	3,7
Net Financial debt (excluding Alden)	(0,8)	1,1
Credit facility (Alden)	(12,4)	(12,1)
Net Financial debt	(13,2)	(11,0)

Net financial debt amounting to -0,8 million Euros, excluding Alden's debt due to the ongoing litigation.

■ APPENDIX 4 – “APR” LEGAL PROCEEDINGS WITH ALDEN

In March 2015, when reviewing the latest amendments to the Loan agreement and preparing the accounts for the period ended March 31, 2015, Atari Europe SAS (“Atari Europe”) found that the Annual Percentage Rate (“APR”) calculation contained manifest and serious errors and/or that this APR had not been disclosed to Atari Europe. If this is the case, in accordance with the legislation and case law applicable, the contractual interest rate must be replaced with the legal interest rate and any difference between the two rates, when the interest rate is higher than the legal interest rate, is to be deducted from the sums owed to the creditor. This position has been confirmed with a legal analysis for Atari.

Atari Europe has carried out a calculation for the period from April 1, 2009 to March 31, 2015. Initially, the interest has been recalculated applying the legal interest rate. The payments already made have then been compared against the interest recalculated in this way. Since the contractual interest rate has always been significantly higher than the legal interest rates over the period, the amounts paid are considerably higher than the interest recalculated at the legal rate. This overpayment has then been allocated on a notional basis against the Loan's capital. The end result is that this overpayment covers not only the outstanding amounts on the balance sheet at March 31, 2015, but even exceeds them by €4.1 million on this same date. This calculation has been validated by an independent financial audit firm. If applicable, this overpayment will be increased by the overpayment for the period from 2006 to 2009, which is currently being evaluated.

In view of these elements, the Group has adopted a position to mount a strong challenge against any sums still owed to Alden, in addition to taking the measures required to get its rights recognized and upheld in relation to this overpayment.

Atari Europe has informed Alden of these findings, with the report from the financial audit firm, and has initiated negotiations. These negotiations are still ongoing. Atari has filed a motion for a summary judgment against Alden with a view to obtaining a two-year period allowing it to defer any payments in connection with the Loan, pending a ruling on the merits of the Atari Group's claims. Indeed, the Loan was initially due to mature on September 30, 2015, and this timeframe was incompatible with a court ruling concerning the APR.

The Paris Commercial Court (*Tribunal de Commerce de Paris*) ruled in favor of Atari's claims, granting it a two-year period on July 23, 2015 under Article 1244-1 of the French civil code allowing it to defer any payments in connection with the Loan pending a ruling on the merits of the Atari Group's claims. As such, this Loan will now mature once the dispute has been settled and by September 2017 at the latest.

For its part, Alden is vigorously disputing Atari Europe's analysis, as set out above, as well as its financial consequences, and it is even disputing the interpretation of a letter of understanding extending the Loan's maturity to September 2015. Alden has opened proceedings in the United States to try to sell or gain possession of the collateral items connected to the Loan as compensation for its debt, dated July 31, 2015. On July 24, 2015, Alden adjourned these proceedings.

On October 28, 2015, Alden filed a new unilateral claim in New York with the American judge in charge of the Chapter 11 proceedings, asking for the continuation plan resulting from the Chapter 11 proceedings, which were completed in December 2013, to be reopened. Atari is vigorously disputing these claims. The hearing date has been set for February 25, 2016.

Atari Europe intends to take all possible steps, both in France and the United States, to uphold its rights and retain its assets, while noting that any legal proceedings involve risks and it is not certain that Atari Europe's arguments will prevail.

Considering these elements, the Group has closed its accounts at September 30, 2015 based on the principle of continuous operations. Furthermore, in accordance with IFRS, the Alden loan is recorded under the same accounting principles as those applied in previous years, with €12.4 million (capital and interest) recognized as a liability, and the impact of the incorrect APR cannot be reflected in the accounts at September 30, 2015.