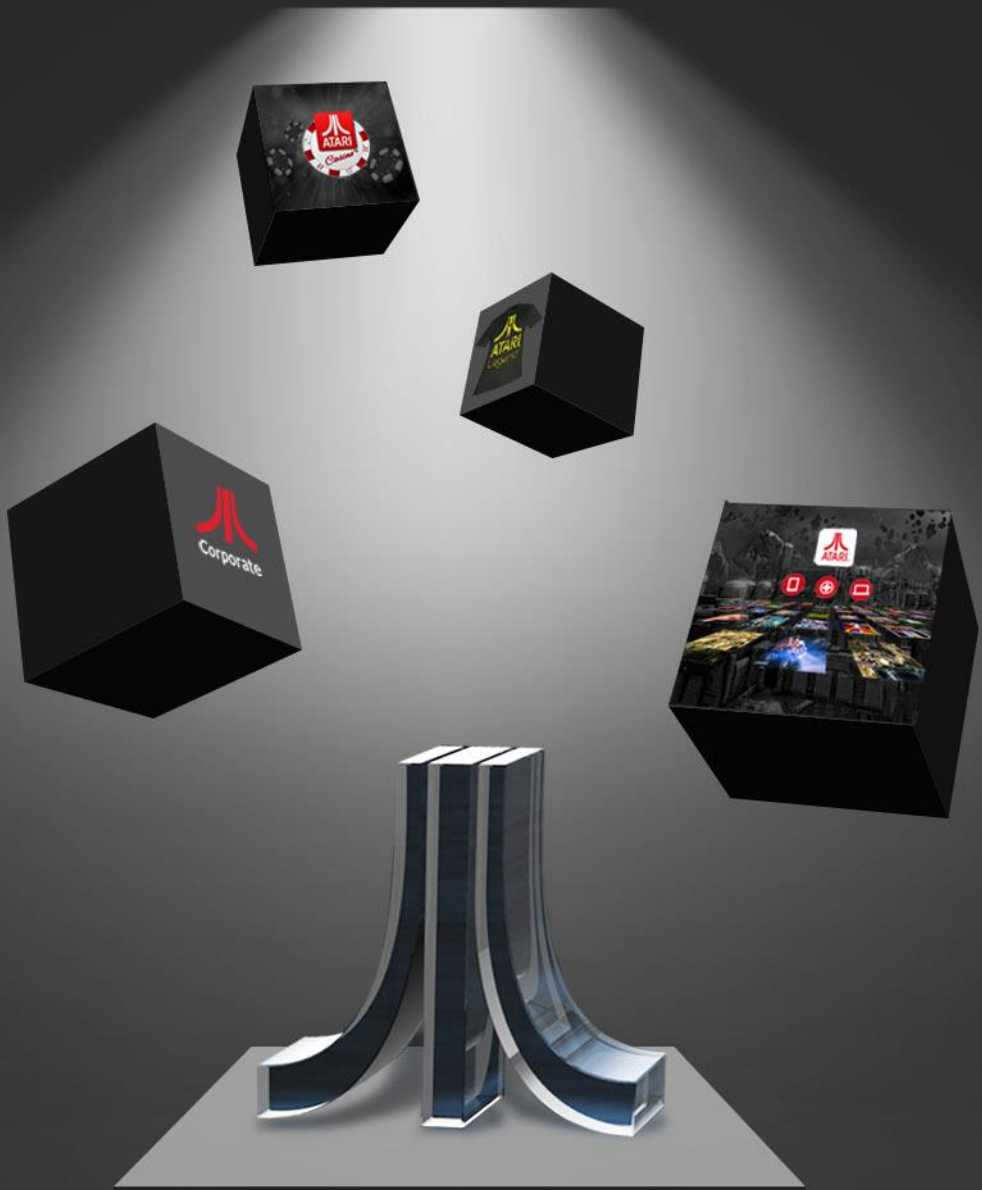
ANNUAL FINANCIAL REPORT

REFERENCE DOCUMENT

2016/2017 FINANCIAL YEAR



ATARI®

SO MUCH MORE THAN VIDEO GAMES

S.A. with capital of €2,304,087.55
Corporate headquarters: 78 rue Taitbout 75009 Paris
RCS Paris 341 699 106

ANNUAL FINANCIAL REPORT
REFERENCE DOCUMENT

This Reference Document was filed with the Autorité des marchés financiers ("AMF") on August 3, 2017, in accordance with Article 212-13 IV of its General Regulations. It may be used to support a financial transaction if it is supplemented by a short-form prospectus approved by the AMF.

This document has been prepared by the issuer. Its signatories are responsible for its content.

In accordance with Article 28 of the European Commission Regulation (EC) No. 809/2004, the following information is included by reference in this Reference Document:

- The consolidated financial statements and the Statutory Auditors' report relating thereto for the year ended March 31, 2016, as presented in the Reference Document filed on August 4, 2016 under number D.16-0776 on pages 38 to 72.
- The consolidated financial statements and the Statutory Auditors' report relating thereto for the year ended March 31, 2015, as presented in the Reference Document filed on August 4, 2015 under number D.15-0825 on pages 36 to 93.

CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2017

Note to the reader: The English version of this report is a free translation from the original, which was prepared in French and is available on the company's corporate French website. In the event of any inconsistencies between the original language version of the document in French and this English translation, the French version will take precedence.

SUMMARY

GENERAL PRESENTATION

PROFILE

Atari (the "Company" or the "Group") is a French company whose securities are listed on the Euronext Paris market, compartment C (ISIN code: FR0010478248, ticker: ATA).

Atari (www.atari.com) is an interactive entertainment production company that manages an intellectual property portfolio focused on the Atari brand, Atari Classics games, intellectual property assets such as Alone in the Dark, and licenses such as RollerCoaster Tycoon. The company has 5 main development lines: (i) video games, (ii) online casino games, (iii) multimedia production, (iv) connected objects, and (v) its licensing activities.

The Company's business model is based on directly or indirectly monetizing its rights, in the broadest possible sense. Direct monetization includes revenue earned from game played on mobile, PC, online, console, or multimedia platforms. Such direct monetization also includes the final sale of rights under a regular arbitrage policy concerning the Company's intellectual property portfolio. Indirect monetization covers licensing agreements granted to third parties, who are then responsible for manufacturing and producing products or applications in exchange for royalties paid to Atari, under multi-year contracts. In general, any transaction concerning such rights, whatever their legal nature, is considered part of the Company's current business activity and contributes to its revenue and/or current operating income.

KEY FIGURES

Sales amounted to €15.4 million for the year ended March 31, 2017, up 29.2% at current exchange rates compared to the previous year.

The following table presents the Group's key figures. The financial statements are presented in accordance with IFRS.

(M€)	31.03.2017	31.03.2016 (1)	31.03.2015
Revenue	**15,4**	11,9	7,6
Current operating income	**1,9**	1,4	0,2
Operating income (loss)	**8,5**	0,0	1,5
Net income (loss)	**7,7**	(0,1)	1,2
Total assets	**20,0**	13,6	8,8
Shareholders' equity	**7,4**	(10,6)	(13,1)
Net cash (net debt)	**(0,9)**	(13,3)	(11,0)
Cash and cash equivalents	**1,1**	1,2	3,7
Number of employees	**18**	14	13

(1) restated in accordance with IAS 8 (see Note 2.1 to the consolidated financial statements)

STRATEGY

The Group's strategy consists in creating, developing, and enhancing the value of a portfolio of intellectual property assets in the field of Interactive Multimedia Entertainment.

The short-term priorities are to:

1. Pursue business growth via five business lines
2. Continue to increase profitability and cash generation

1. PURSUE BUSINESS GROWTH VIA FIVE BUSINESS LINES

The first priority is to pursue business growth within the framework of five business lines selected for their complementary nature:

- Video games
- Online casino games
- Multimedia co-productions or licenses (primarily television and cinema)
- Connected objects
- Licensing activities

The Group is also exploring opportunities for strategic partnerships in these areas.

2. CONTINUE TO INCREASE PROFITABILITY AND CASH GENERATION

Now that the Atari Group is now almost debt-free, its second priority is to continue improving profitability and accelerate cash generation.

HISTORY

Atari Inc., a pioneer in the video game industry, was founded 1972.

Infogrames Entertainment ("Infogrames"), a French video game development company was founded in 1983 and first listed on the Paris Stock Exchange in 1993.

In 2000, Infogrames Entertainment acquired the Atari brand from the Hasbro Group.

In May 2009, Infogrames Entertainment changed its name to Atari.

In early 2013, the US subsidiaries (the "US Subsidiaries") were placed in court-supervised receivership (the "Chapter 11 Proceedings"). In February, the BlueBay funds sold their stakes to Ker Ventures, LLC (a holding company owned by Frédéric Chesnais) and Alden Capital Group. Frédéric Chesnais was appointed Chairman of the Board and Chief Executive Officer.

By immediately granting a loan of €250 000 to Atari SA, Ker Ventures (personal holding of Frédéric Chesnais) prevented the initiation of a safeguard procedure for Atari SA and its subsidiary Atari Europe SAS. The procedure had been solicited by the former management team.

In September 2013, Atari SA filed a reorganization plan for US Subsidiaries, personally guaranteed by Frédéric Chesnais. This plan was approved by the US Court and, on December 24, 2013, the US Subsidiaries exited the Chapter 11 Proceedings.

Since then, the business has returned to growth and profitability, and the Atari Group is now completely debt free.

THE “INTERACTIVE ENTERTAINMENT” MARKET

THE MARKET FOR MOBILE GAMES, ON SMARTPHONES AND TABLETS

Mobile games are video games that are played on mobile phones, smartphones, tablets, portable multimedia devices, excluding any game played only on dedicated portable consoles.

The mobile market is benefiting from the fast penetration rate of smartphones (mainly devices running iOS and Android). The tablet market also benefits from a fast and high penetration rate.

The rapid expansion of these smartphones has generated and has benefited from the success of “apps,” small specialized programs that may be downloaded to mobile devices.

ONLINE GAMES AND CONSOLE GAMES

The Atari Group has prioritized the monetization of online games and no longer distributes physical boxes. The boxes are now distributed by partners.

The online games segment covers several types of games, from “casual” to “hardcore” games, and uses all types of platforms, from personal computers (PCs) to consoles (via Microsoft Xbox Live, Sony PlayStation Network). An Internet connection is required at the time of download, and sometimes also during the game phase.

These games can either be paid at the time of download, or free but then, in most cases, with options to make payments via microtransactions as and when the game progresses.

The revenue from online games is thus generated by the following sources:

- Game downloads
- Microtransactions, which consist of offering additional content or virtual goods to players who already have a free or paid game (most often, new features or access to additional zones or levels)
- Online advertising
- Subscriptions, usually monthly or quarterly
- Billing by the minute
- Trial offers.

BUSINESS

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FRANCHISING/LICENSING

The activities of the Atari Group have enabled it to acquire or manage a large portfolio of exclusive brands and intellectual property assets. The Group also licenses some of its intellectual property assets.

The Atari Group can, therefore, find itself in one of two situations: (i) as a licensee and in the obligation to pay royalties to the licensor; (ii) as a licensor and being remunerated as such. In both cases, the structures of the licensing agreements are relatively similar.

The licensor's remuneration consists of a fixed fee and/or a proportional charge based generally on a percentage of the sales made. The licensor may negotiate advances on licensing fees payable in installments spread over the entire term of the contract, which is effectively a guaranteed minimum income. Advances are then deducted from the amount of the remuneration due, so that the licensee is able to recover the equivalent of the advances paid before being required to pay additional remuneration.

Content licenses and support licenses have a number of ethical, graphic, and technical requirements. The publishing and the commercial release of the product are in fact subject to the preliminary approval of the right-holder or the media manufacturer.

MATERIAL CONTRACTS OF THE GROUP

The material contracts of the Group are the following:

LICENSING AGREEMENTS

The Group holds the license to the game RollerCoaster Tycoon. This license has been granted until 2022 by Chris Sawyer, the owner of the rights to this franchise.

AGREEMENTS WITH CONSOLE MANUFACTURERS

Contracts between the Company and/or its subsidiaries and console manufacturers (Sony Computer Entertainment and Microsoft) govern the operation of the relationship between the parties. These contracts allow the Company to use these console manufacturers' technology to develop and operate products that are compatible with their respective consoles. These contracts cover in detail the use of development kits, the publishing authorization process, the publisher's royalties to the manufacturer, the duration of the relationship, the territories concerned, the manufacturing costs as well as the cost of production, the related logistics, the payment terms and the confidentiality obligations of the parties, among other things.

AGREEMENTS WITH MOBILE AND ONLINE PLATFORMS

The Atari Group uses mobile and online platforms such as iOS (Apple), Android (Google) or Steam or Facebook to reach users via these platforms. The Atari Group must comply with the terms and conditions applicable to application developers. Such terms and conditions define how theses platforms work, and how they are promoted and distributed. Such terms and conditions may be modified at the sole discretion of the platform owners. In addition, the Group is dependent on the functionalities of these platforms.

INVESTMENT PROJECTS

The Group's investments are still in a recovery phase. The amounts for the last three financial years break down as follows:

R&D expenditures	**March 31, 2017**		March 31, 2016		March 31, 2015		March 31, 2014	
(in M€)	**Amounts**	**% revenues**	Amounts	% revenues	Amounts	% revenues	Amounts	% revenues
Capitalized R&D	**4,3**	**27,9%**	3,8	31,6%	2,7	35,6%	-	-
Other R&D expenditures*	**3,8**	**24,8%**	3,3	27,3%	2,5	32,9%	1,2	36,2%
Total R&D expenditures	**7,0**	**55,8%**	7,0	55,8%	**5,2**	**68,5%**	**1,2**	**36,2%**

(*) This heading mainly includes the operational cost of the studios, the pre-production on the developments initiated, the organization costs of the publishing department, the cost of any project whose technical feasibility could not be demonstrated as well as provisions to game amortization.

The Group's research and development expenses for the year ended and prior years are detailed in the "Board of Directors' Report on Group Management" in section 2.1.

The video game business line requires significant investments in development, covering average periods of 12 to 24 months, which must be funded from own funds. In addition, the success of new licenses launched is not always assured. For these reasons, positive shareholders' equity and positive net cash flows generated by the business are essential to guarantee the funding for regular investments, as well as to cope with the risks linked to the success or failure upon release of the games without jeopardizing the Group's future.

FUTURE PROSPECTS

This information is provided in the section "Board of Directors' Report on Group Management" in section 12 "Future Prospects for the Company."

RISK FACTORS

In the exercise of its activities, the Group is exposed to risks that, were they to materialize, would have a material adverse effect on the Company, its business, its financial position and/or its results. The main risks identified by the Company are described in section 8 of the "Board of Directors' Report on Group Management," without this list being considered exhaustive because other risks, which are not yet identified or may be considered insignificant by Atari as of the filing date of this Reference Document, could also have a material adverse effect. Investors should take such risks into consideration before deciding to subscribe for or acquire the Company's shares.

At the date of filing of this Reference Document, except for the risks mentioned in section 8 of the "Board of Directors' Report on Group Management," the Company is not aware of any specific risks likely to have a material impact on its business.

MEASURES IMPLEMENTED TO SECURE THE BUSINESS

PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

In order to reduce the risks described above, the Group uses procedures to formalize and obtain legal and technical approval for all stages of producing and marketing product. Specialized lawyers manage, oversee, and acquire intellectual property rights for the Group. The Group also works with law firms renowned for their know-how in this area and uses intellectual property monitoring services. The Group is registering the brands and copyrights of its products in the countries it deems necessary, mainly in Europe, the United States, and other major countries.

We take a pragmatic approach against the fight against piracy based on the identified risks and the relevant territories. For example, the Group works with online monitoring companies to combat piracy and the counterfeiting of its products. The Group uses specialized companies to combat the illegal downloading of its products and links its products to software designed to prevent the making of illegal copies.

The Group does not register patents for its games and is not dependent on any particular patent.

SUPPLIER DEFICIENCIES

The Group seeks to reduce the risk of supply shortages by diversifying its manufacturing sources. In the case of products for PC's, this risk is limited due to the large number of manufacturing companies available around the world and the responsiveness of these companies. The Group does not control the risk of manufacturing products published on proprietary media (e.g., Sony, Microsoft) because console manufacturers maintain control of the manufacturing process and timeline. In addition, the Group's future strategy of expanding its online operations is likely to reduce this potential risk.

INSURANCE

The Group benefits from global coverage in the areas of property damage, business interruption and operating, professional, and intellectual property liability. The Group also takes out directors and officers liability insurance. In general, the Group's business does not present any extraordinary risks, except for possible supplier deficiency or the consequences of the massive withdrawal of a game. In order to take into account the specificities of different countries' markets, policies taken out at the local level (and in particular in North America) are supplemented by a global program.

The table below summarizes the levels of protection put in place for the main policies.

Policy	Amounts
Business liability Property damage Business interruption	Per occurrence limit is $1 million Annual aggregate limit is $1 million
Error & omissions/Media Security & Privacy	$1 million
Directors and Officers Liability	Ceiling of $10 million
Key Personnel Insurance	$5 million

The total amount of insurance premiums expensed on behalf of Atari and on behalf of its subsidiaries under the above policies for the year ended March 31, 2017 is €0.4 million.

NON-RECURRING EVENTS AND LITIGATION

In the normal course of business, Group companies may be involved in various court, arbitration, administrative, and tax proceedings. The settlement of these proceedings should not have a significant impact on the Company's financial statements.

The material legal risks faced by the Group are presented in this Reference Document under the heading "Legal risks" of the "Management Report."

HUMAN RESOURCES AND WORKFORCE

As at March 31, 2017, the Group's workforce was 18, up from 14 as at March 31, 2016.

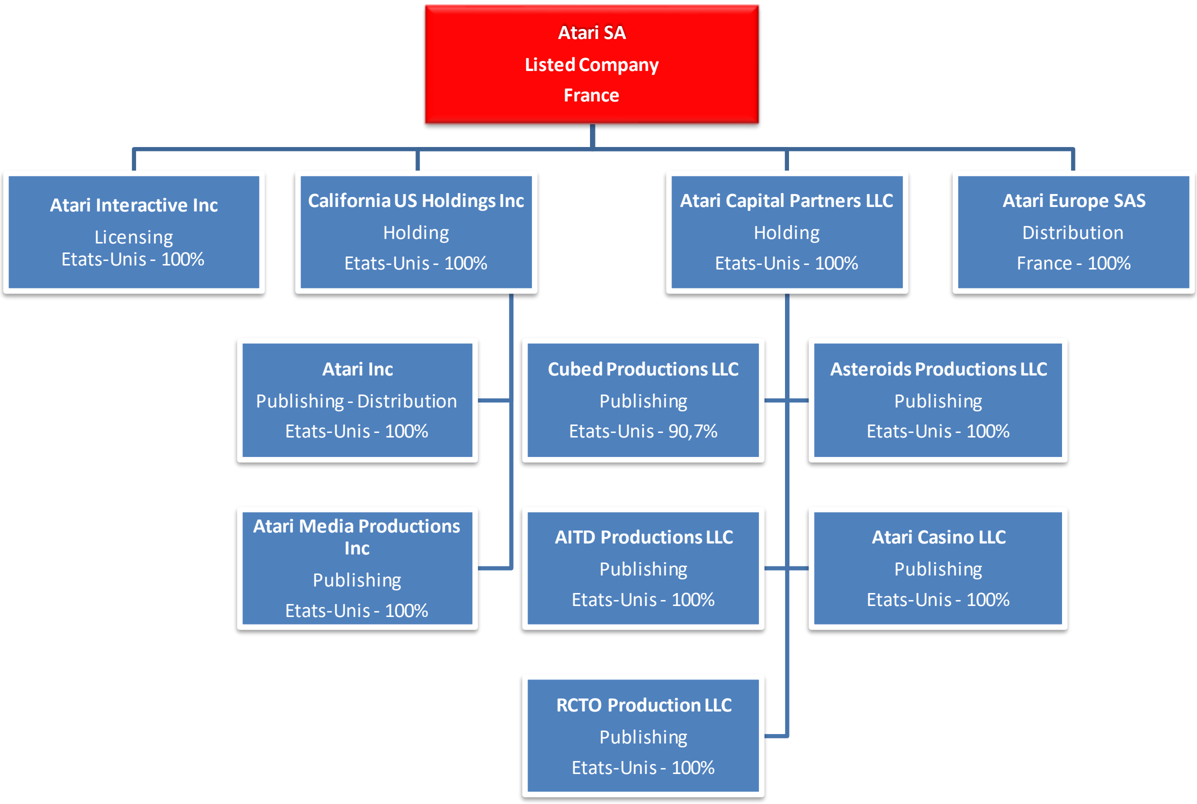
Employee information relating to the Group's French companies is included in section 9 "Employee information" of the "Board of Directors' Report on Group Management."

GROUP PREMISES

The Company's headquarters are based in Paris, 78 rue Taitbout, 75009 Paris (France), as well as the European distribution subsidiary Atari Europe. The US subsidiaries have their offices based in New York (USA).

For the 2015/2016 and 2016/2017 financial years, the Group's annual rental expenses amounted to approximately €0.4 million.

SIMPLIFIED ORGANIZATIONAL CHART OF THE GROUP AS OF MARCH 31, 2017



See also Note 30 to the consolidated financial statements for consolidated companies.

MANAGEMENT REPORT

YEAR ENDED MARCH 31, 2017

BOARD OF DIRECTORS' REPORT ON GROUP MANAGEMENT

1. ENVIRONMENT AND HIGHLIGHTS OF THE PERIOD

1.1. ECONOMIC ENVIRONMENT

Atari (www.atari.com) is an interactive entertainment production company that manages an intellectual property portfolio focused on the Atari brand, Atari Classics games, intellectual property assets such as Alone in the Dark, and licenses such as RollerCoaster Tycoon. The company has 5 main development lines: video games, online casino games, multimedia production, connected objects, and its brand licensing activities.

1.2. HIGHLIGHTS OF PERIOD

The highlights of the period are:

- **Alden Settlement and Alden Loan Repayment:**
  On July 12, 2016, the Atari Group entered into an agreement with Alden resulting in a total and definitive repayment of the Alden loan for a total, in principal plus accrued interest, of €12.5 million. The redemption price is €5.3 million, of which €4.5 million is paid in cash and the balance by surrender of 5 million shares. This transaction resulted in a gain of €7.1 million recorded in the consolidated financial statements as at March 31, 2017.
- **Capital Increases for €8.0 Million:**
  On July 12, 2016, the Atari Group launched a capital increase to participate, for up to €2.8 million, in the financing of amounts due under the agreement with Alden, and for up to €0.3 million euros in the financing of games.
  On October 28, 2016, the Atari Group launched a €2.5-million capital increase to finalize the Group's deleveraging following the agreement with Alden in the summer of 2016, and a €2.4-million capital increase to endow the Group with the means to finance its development.
- **Game Releases:**
  Release of Atari Vault (PC), Atari Flashback Classics on consoles, RollerCoaster Tycoon Classic (smartphone) in December 2016 and RollerCoaster Tycoon Touch (smartphone) at the end of February 2017.
- **Sale of Rights:**
  Sale in December 2016 of future commercial rights to Test Drive Unlimited to Bigben for a price of €0.9 million.
- **Online Casinos and Miscellaneous:**
  Continued development initiatives, including a licensing agreement with Kizzang combining future royalties payable to Atari with an immediate payment through the reserved issue of free shares and stock options to Atari for €1.8 million.
- **Licensing Activities:**
  Good overall performance of licensing activities, particularly with leading technology companies or the Roam product license, combining future royalties with free warrants already issued in favor of Atari for €0.6 million.
- **Connected Objects:**
  Entered into a partnership with Sigfox, leading provider of a global communication service dedicated to the Internet of Things (IoT), for the development of new connected objects inspired by the Atari brand universe.

1.3. SUBSEQUENTS EVENTS

The following events occurred after March 31, 2017:

- **Extension of the RollerCoaster Tycoon License until 2022:**
- In May 2017, an agreement was reached with Chris Sawyer, owner and creator of the RollerCoaster Tycoon license, providing for the extension until 2022 of the license.
- **Development of a New Hardware Product Announced:**
  In June 2017, the Atari group announced the preparation of a public relations and crowdfunding campaign to test the viability of a new hardware product for video games.
- **Production, in Partnership with Discovery Communications, of the Television Game Show "Atari: Codebreaker":** A quiz show expected to be broadcast on the Discovery Science Channel in a selection of European countries starting in fall 2017.

2. ANALYSIS OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 CONDENSED CONSOLIDATED INCOME STATEMENT

(M€)	March 31,2017		March 31, 2016		Variance	
Revenue	**15,4**	**100,0%**	11,9	100,0%	**3,5**	**29,2%**
Cost of goods sold	**(3,9)**	**-25,5%**	(1,8)	-15,1%	**(2,1)**	**118,4%**
GROSS MARGIN	**11,5**	**74,5%**	10,1	84,9%	**1,4**	**13,4%**
Research and development expenses	**(3,8)**	**-24,8%**	(3,3)	-27,3%	**(0,6)**	**17,0%**
Marketing and selling expenses	**(2,0)**	**-12,7%**	(1,3)	-10,8%	**(0,7)**	**51,7%**
General and administrative expenses	**(4,1)**	**-26,7%**	(4,0)	-33,8%	**(0,1)**	**2,2%**
Other operating income (expenses)	**0,3**	**1,7%**	(0,2)	-1,6%	**0,4**	**-240,1%**
CURRENT OPERATING INCOME (LOSS)	**1,9**	**12,1%**	1,4	11,4%	**0,5**	**36,6%**
Other income (expense)	**6,6**	**43,1%**	(1,3)	-11,2%	**8,0**	**-597,9%**
OPERATING INCOME (LOSS)	**8,5**	**55,2%**	0,0	0,2%	**8,5**	

(1) restated in accordance with IAS 8 (see paragraph on shareholders' equity below)

There was no change in scope during the 2016/2017 financial year.

Revenue

As of March 31, 2017, Atari achieved a consolidated revenue of €15.4 million, compared to €11.9 million for the last financial year—a growth of 29.2% at the current exchange rate and 28.6% at a constant exchange rate.

The total figure is made up mainly of revenue from two games, the RollerCoaster Tycoon Touch released in late February 2017 and Atari Vault for PC released in March 2016, as well as casino activities. These products represent more than 50% of the Atari Group's revenue for the financial year. The entire catalog and licensing activities contributed significantly to the growth in revenue, particularly with leading technology companies, combining royalty payments with free warrants.

Gross Margin

The increase of the gross margin rate to 74.5% of revenue, compared to 84.9% for the previous year, is due to the change in the product mix.

Research and Development Expenses

Research and development expenses amounted to €3.8 million, compared to €3.3 million for the previous financial year. Their increase, net of amounts recorded as intangible assets in progress, reflects a selective revival of production.

Marketing and Sales Expenses

Marketing and sales expenses amounted to €2.0 million compared with €1.3 million in the previous financial year, reflecting the continued recovery of the business.

General and Administrative Expenses

General and administrative expenses remained stable from one period to the next, amounting to €4.1 million compared to €4.0 million for the previous financial year.

Other Operating Income and Expenses

Other operating income and expenses amounted to +€0.3 million and correspond to the net proceeds from the sale of the Test Drive Unlimited license, less operating management expenses.

Current Operating Income

During the period, the Group confirmed its objective of profitable redeployment and recorded current operating income of €1.9 million, compared to €1.4 million for the previous financial year, an increase of more than 36%.

Other Income and Expenses

Other income and expenses amounted to €6.6 million and included a €7.1 million gain on the acquisition of the redemption of the Alden loan.

Operating Income

The operating income for the year ended March 31, 2017 amounted to €8.5 million euros compared to no profit for the previous financial year.

OTHER INCOME STATEMENT ITEMS

(M€)	March 31,2017		March 31, 2016		Variance	
OPERATING INCOME (LOSS)	**8,5**	**55,2%**	0,0	0,2%	**8,5**	
Cost of debt	**(0,8)**	**-4,9%**	(0,8)	-6,6%	**0,0**	**-3,0%**
Other financial income (expense)	**(0,0)**	**-0,3%**	0,1	0,9%	**(0,1)**	**-136,9%**
Income tax	**(0,0)**	**-0,1%**	0,5	4,3%	**(0,5)**	
NET INCOME (LOSS)	**7,7**	**49,9%**	(0,1)	-1,2%	**7,8**	
Minority interests	(0,0)	**0,0%**	0,0	0,0%	**(0,0)**	
NET INCOME GROUP SHARE	**7,7**	**49,9%**	(0,1)	-1,2%	**7,8**	

(1) restated in accordance with IAS 8 (see paragraph on shareholders' equity below)

Cost of Debt

The cost of debt amounted to €0.8 million as in the previous financial year. It corresponds in particular to the last payments on the Alden loan redeemed in July 2016 and to the financing of this redemption. As of April 1, 2017, cost of debt will only be this related to the 2020 Océane Bonds, i.e., less than €0.1 million per year.

Other Financial Income and Expenses

Other financial income and expenses for the 2016/2017 financial year are not significant and mainly concern exchange gains and losses.

Income Tax

As of March 31, 2017, the Group's deferrable tax losses are approximately €733 million in France and more than $655 million in the United States.

As of March 31, 2017, the consolidated taxable income for French companies amounts to nearly €1.1 million before deduction of the deferred tax loss. Such deduction of the deferred loss from taxable income as of March 31, 2017 resulted in tax savings of around €0.3 million.

Minority Interests

Minority interests are not significant.

Net income - Group share

In the end, the Group share of the consolidated net income for the year ended March 31, 2017 is a gain of €7.7 million euros, compared to a loss of €0.1 million for the year ended March 31, 2016.

2.2. SEGMENTED CONTRIBUTIONS

As of March 31, 2017, and as of March 31, 2016, management considers that analyzing its revenue by geographic area or by platform is not relevant to or indicative of its operating activity.

2.3. CONSOLIDATED BALANCE SHEET

SIMPLIFIED CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2017 AND MARCH 31, 2016

ASSETS (M€)	31.03.2017	31.03.2016 (1)
Intangible assets	**6,9**	5,0
Property, plant and equipment	**0,0**	0,0
Non-current financial assets	**3,0**	0,2
Deferred tax assets	**0,5**	0,5
Non-current assets	**10,5**	5,7
Inventories	**-**	-
Trade receivables	**7,3**	6,0
Current tax assets	**-**	-
Other current assets	**0,7**	0,7
Cash and cash equivalents	**1,1**	1,2
Assets held for sale	**0,4**	-
Current assets	**9,6**	7,9
Total assets	**20,0**	13,6

(1) restated in accordance with IAS 8 (see paragraph on shareholders' equity below)

EQUITY & LIABILITIES (M€)	31.03.2017	31.03.2016 (1)
Capital stock	**2,3**	1,8
Share premium	**7,5**	407,5
Consolidated reserves	**(10,1)**	(419,8)
Net income (loss) Group share	**7,7**	(0,1)
Shareholders' equity	**7,4**	(10,6)
Minority interests	**0,0**	0,0
Total equity	**7,4**	(10,6)
Provisions for non-current contingencies and losses	**0,3**	0,1
Non-current financial liabilities	**2,0**	14,4
Deferred tax liabilities	**-**	-
Other non-current liabilities	**0,0**	0,1
Non-current liabilities	**2,3**	14,5
Provisions for current contingencies and losses	**0,4**	1,2
Current financial liabilities	**-**	0,2
Trade payables	**6,3**	4,8
Current tax liabilities	**0,0**	-
Other current liabilities	**3,6**	3,6
Current liabilities	**10,3**	9,7
Total equity and liabilities	**20,0**	13,6

(1) restated in accordance with IAS 8 (see paragraph on shareholders' equity below)

Shareholders' Equity

Consolidated shareholders' equity, now positive, amounted to €7.4 million as of March 31, 2017, a significant improvement compared to -€10.6 million as of March 31, 2016. The table below shows the changes in shareholders' equity during the period (in millions of euros):

Total shareholders' equity as at March 31, 2016 (M€)	(10,2)
IAS 8 restatement	(0,4)
Shareholders' equity restated IAS 8 (M€)	**(10,6)**
Net Income	7,7
Capital increase	8,0
Movement in treasury shares	1,7
Currency exchange rate variations	0,7
Total shareholders' equity as at March 31, 2017 (M€)	**7,4**

IAS 8 Restatement:

Atari has recognized in its financial statements as of March 31, 2016 the revenue relating to several contracts with Steam key resale platforms after sending of the activation keys.

In order to comply with its income recognition policy, the Atari Group has decided to review these transactions and recognize the income at the time of sale to the end customer, subject to receipt of the reports and the corresponding payment by the platform. Revenue and gross margin as of March 31, 2016 were respectively €0.7 million and €0.6 million.

In addition, the Group did not recognize, in the accounts as of March 31, 2016, its share of the multimedia production credits where offsetting against royalty's payable is permitted under the contract. Taking this transaction into account leads to the recognition of an additional profit of €0.2 million as of March 31, 2016.

In accordance with IAS 8, these adjustments are accounted for retrospectively in the financial statements by restatement of the initial balances of assets and liabilities, and by a decrease of initial shareholders' equity of €0.4 million.

The impacts of the application of IAS 8 with retroactive effect on the consolidated balance sheet as of March 31, 2016 are as follows:

- Decrease in trade accounts receivable by €0.7 million
- Decrease in trade accounts payable by €0.3 million
- With a corresponding a decrease in shareholders' equity (Group share) of €0.4 million.

The impacts of these corrections on the 2015/2016 consolidated income statement are as follows:

- Decrease in revenue is €0.7 million, from €12.6 million to €11.9 million
- Decrease in cost of sales by €0.3 million, from €2.1 million to €1.8 million
- As a result, the gross margin, like other levels of underlying results, decreased by €0.4 million.

This adjustment has no impact on the basic and diluted earnings per share of the periods presented.

Appropriate measures have been put in place to strengthen the reliability of the accounts as of the first half of the 2016-2017 financial year and to adjust the internal control systems accordingly.

These impacts have no impact on cash flow or disbursement flows; the amounts of cash flows generated by the business as of March 31, 2016 and March 31, 2017 presented in the consolidated cash flow statements are not modified.

Net Cash

As of March 31, 2017, the Group's net debt stood at €0.9 million euros, compared to €13.3 million as of March 31, 2016. Cash and cash equivalents stood at €1.1 million euros, compared to €1.2 million as of March 31, 2016.

Net debt is defined as cash and cash equivalents less short-term and long-term debt and is calculated as follows:

(M€)	**March 31, 2017**	March 31, 2016
Cash and cash equivalents	**1,1**	1,2
Non-current financial liabilities	**(2,0)**	(14,4)
Current financial liabilities	**-**	(0,2)
Net cash (net debt)	**(0,9)**	(13,3)

Net debt is broken down in the table below:

(M€)	March 31, 2017	March 31, 2016
OCEANEs 2003-2020	**(0,6)**	(0,6)
OCEANEs 2015-2020	**(1,4)**	(1,3)
Alden loan	**-**	(12,5)
Others	**-**	(0,2)
Gross Financial debt	**(2,0)**	(14,5)
Cash and equivalents	**1,1**	1,2
Net Financial debt	**(0,9)**	(13,3)

The table below shows the Group's debt by maturity date:

(M€)	31.03.2017	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2020
OCEANEs 2003-2020	**(0,6)**	-	-	(0,6)
OCEANEs 2015-2020	**(1,4)**	-	-	(1,4)
Others				
Total Financial liabilities	**(2,0)**	-	-	(2,0)

Other Balance Sheet Items

Intangible Assets

Intangible assets mainly relate to the costs of producing the RollerCoaster Tycoon World, RollerCoaster Tycoon Touch, Alone in the Dark: Illumination, and Asteroids games, as well as games under development. Expenses thus capitalized as of 31 March 2017 represent an amount of €10.6 million in gross value and €7.2 million in net value.

Other financial assets are presented in the table below:

(M€)	March 31, 2017	March 31, 2016
Assets held for sale	**2,0**	-
Unhedged derivatives	**0,7**	-
Other financial assets	**0,2**	0,2
Non-current financial assets	**3,0**	0,2

The working capital requirement (which corresponds to current assets less current liabilities, excluding short-term liabilities carrying interest and assets and liabilities held for sale) is -€2.2 million as of 31 March 2017, compared with -€2.9 million for the previous financial year. Other non-current liabilities (including non-current provisions) are not material.

2.4. CONSOLIDATED CASH FLOWS

Cash and cash equivalents amounted to €1.1 million as of March 31, 2017, compared to €1.2 million at the end of the previous financial year.

The cash flows statements for the years ended March 31, 2017 and March 31, 2016 are summarized as follows:

(M€)	March 31, 2017	March 31, 2016
Net cash (used)/generated in operating activities	**3,1**	(0,5)
of which continuing operations	3,1	(0,5)
Net cash (used)/generated in investing activities	**(6,7)**	(3,9)
of which continuing operations	(6,7)	(3,9)
of which intangible assets and fixed assets	(6,7)	(3,9)
Net cash provided (used in) by financing activities	**3,4**	1,9
of which continuing operations	3,4	1,9
of which interest paid	(0,2)	(0,8)
Other cah flows	**0,1**	0,1
Net change in cash and cash equivalent	**(0,1)**	(2,5)

The €0.6-million decrease in the working capital requirement, combined with net cash provided by operating activities of €2.5 million, generated €3.1 million of net cash flow from operating activities. Financing operations generated €3.4 million. Funds were primarily used during the period for investments in games and financial assets and the repayment of the Alden loan. The change in net cash for the period is -€0.1 million.

3. PARENT COMPANY BUSINESS AND FINANCIAL RESULTS (ATARI SA)

The French company Atari SA (the "Company") is the parent company, host of the Atari Group. It derives most of its revenue (excluding financial income) from services rendered to its subsidiaries (general management, financial and legal management, cash management, information systems, general resources, etc.) and this revenue is eliminated in the consolidated financial statements. Its level of activity is therefore in no way representative of the Group's activity. During the financial year, it also recorded €1.7 million in licensing fees.

3.1. LME ACT: ATARI SA'S TERMS OF PAYMENT

In application of the provisions of Article L. 441-6-1 and D. 441-4 of the French Commercial Code, we inform you that at the end of the financial year ended March 31, 2017, the balance of the debts owed to suppliers breaks down, by date of maturity, as follows:

(K€)	March 31, 2017	March 31, 2016
Non-Group trade payables		
Payments from 0 to 30 days	**143**	68
Payments from 0 to 30 days		1
Due	**25**	294
Total Non-Group payables	**168**	363
Intra-group debts	**18**	37
Group accrues expenses	**-**	-
Non-group accrued expenses	**156**	533
Total trade payables	**342**	933

4. ACTIVITIES AND RESULTS OF SUBSIDIARIES

The table below shows the activity of the Group's main subsidiaries, after elimination of intra-Group transactions:

(M€)	Revenue	Net income
ATARI INC	**7,0**	**0,5**
ATARI INTERACTIVE	**2,8**	**1,1**
ATARI CAPITAL PARTNERS (including subs)	**3,3**	**(1,2)**
ATARI EUROPE	**0,6**	**0,2**

5. MAJOR SHAREHOLDERS

5.1. SHARE OWNERSHIP AND VOTING RIGHTS

As of March 31, 2017, subscribed and fully paid up capital of the Company amounted to €2,304,087.55 divided into 230,408,755 shares with a par value of €0.01. As of March 31, 2017, the number of voting rights attached to the Company's shares was 226,543,261.

The data below are based on information obtained by the Company from the establishment that is the holder of the securities. To the best of the Company's knowledge, this breakdown was as follows as of March 31, 2017:

Ownership	March 31, 2017					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Ker Ventures, LLC (1)	44 691 156	19,40%	44 691 156	19,31%	44 691 156	19,63%
Mr Alexandre Zyngier	10 119 906	4,39%	10 119 906	4,37%	10 119 906	4,45%
Arbevel	14 831 973	6,44%	14 831 973	6,41%	14 831 973	6,52%
Treasury shares	3 865 494	1,68%	3 865 494	1,67%	0	0,00%
Public (2)	156 900 226	68,10%	157 968 405	68,24%	157 968 405	69,40%
Total	**230 408 755**	**100,00%**	**231 476 934**	**100,00%**	**227 611 440**	**100,00%**

(1) Ker Ventures: the holding company owned by Frédéric Chesnais, Company Chairman and CEO.
(2) 1,068,179 shares have double voting rights.

To the best of the Company's knowledge, as of March 31, 2016, the breakdown of capital and voting rights was as follows:

Ownership	March 31, 2016					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Ker Ventures, LLC (1)	39 877 179	21,77%	39 877 179	21,74%	39 877 179	22,88%
Mr Alexandre Zyngier	12 013 615	6,56%	12 013 615	6,55%	12 013 615	6,89%
Treasury shares	9 126 422	4,98%	9 126 422	4,98%	0	0,00%
Public (2)	122 168 358	66,69%	122 417 965	66,74%	122 417 965	70,23%
Total	**183 185 574**	**100,00%**	**183 435 181**	**100,00%**	**174 308 759**	**100,00%**

(1) Ker Ventures: the company owned by Frédéric Chesnais, Company Chairman and CEO.
(2) 249,607 shares have double voting rights.

Registered shares may benefit from a double voting right if held for least 2 years. As of the date of this document, 16,237,525 Ker Ventures shares are registered but cannot claim double voting rights until March 2019.

To the best of the Company's knowledge, there are no other shareholders directly, indirectly or jointly holding 5% or more of the Company's issued capital or voting rights.

As of March 31, 2017, Ker Ventures holds 19.40% of the capital and 19.31% of the exercisable voting rights. The existence of independent directors and the regular operation of corporate governance bodies protect the company against any improper exercise of company control.

5.2. CHANGES IN SHAREHOLDING DURING THE PERIOD

Pursuant to the provisions of its Articles of Incorporation providing for the declaration of any holding of more than 2% of the capital or voting rights, the Company was informed during the financial year of the acquisition of shares by Financière Arbevel.

5.3. TRADING BY THE COMPANY IN ITS OWN STOCK

Treasury Shares

As of March 31, 2017, the Company held a total of 2,280,359 treasury shares (0.99% of the share capital). Its subsidiary, California US Holdings, also held 1,585,135 shares (0.69% of the share capital).

Liquidity Contract

No liquidity contract is in place to date.

5.4. SHARE BUYBACK PROGRAM

The General Shareholders' Meeting of September 30, 2016, authorized in its 11th resolution, for a period of 18 months, the purchase of Company shares by the Board for up to 10% of the shares comprising the capital of the company.

5.5. STATEMENT OF EMPLOYEE SHAREHOLDINGS

As of March 31, 2017, employees did not hold any share in the Company's capital through the Company Savings Plan.

6. APPROPRIATION OF THE NET RESULT

It will be proposed at the next shareholders' meeting to allocate the profit of Atari SA for the past financial year, amounting to €1.7 million, to retained earnings.

6.1. DIVIDENDS FOR THE LAST THREE FINANCIAL YEARS

The Company has not distributed dividends in the last 3 years and we do not contemplate proposing dividend payments for the 2016/2017 financial year.

6.2. NON-DEDUCTIBLE EXPENSES

In accordance with the provisions of Article 223 quater of the French General Tax Code we specify that the financial statements for the past financial year do not include non-tax-deductible expenses.

7. CORPORATE OFFICERS

The information relating to the list of directorships and the composition of Executive Management is provided in the "Corporate Governance" section of this Reference Document.

COMPENSATION OF CORPORATE OFFICERS

(Information pursuant to Article L. 225-102-1 of the French Commercial Code)

Atari's corporate officers are its directors, of whom only the Chief Executive Officer holds a management position.

Compensation of the Chairman and Chief Executive Officer

Frédéric Chesnais

Since February 1, 2013, Frédéric Chesnais has taken on the role of Chief Executive Officer of the Group and also serves as Chairman of the Board of Directors.

FIXED COMPENSATION

On May 13, 2014, the Board of Directors approved the compensation conditions for the Chairman of the Board of Directors and Chief Executive Officer of the company. The Board of Directors has also set a fixed annual compensation equivalent to an annual gross salary of €300,000. Mr. Chesnais' compensation is set in dollars and is unchanged from the beginning. The exchange rate used below is the historical exchange rate of the day on which this compensation was determined. This compensation was confirmed at the Board of Directors' meeting of May 24, 2017.

VARIABLE COMPENSATION/OPTIONS

As of March 31, 2017, Frédéric Chesnais did not receive any variable compensation. On May 24, 2017, to cover the entire period from April 1, 2013 to March 31,2017, i.e., 4 years, the Board of Director granted an overall exceptional compensation of 420,000, payable 50% in cash and 50% in shares subject to a 2-year retention commitment, representing approximately 18 months of compensation. Reported on an annual basis, this supplement represents approximately 37% of the annual compensation.

During the financial year, he was awarded 1,650,000 stock options under the stock option plan enacted by the General Shareholders' Meeting of September 30, 2014.

On July 12, 2017, the Board of Directors decided to set up an discretionary bonus, as from April 1, 2017, which could represent (except in exceptional circumstances) between 50% and 125% of the annual fixed compensation and incorporating the following elements: revenue and EBITDA, cash generation, changes in stock prices and earnings per share, as well as various objective criteria related to the activity.

DIRECTOR’S FEES

In respect of the 2016/2017 financial year, Mr. Frédéric Chesnais is entitled to directors’ fees under the same conditions as all other directors.

Summary of Executive Compensation

Executive Directors	Employment contract		Supplementary retirement plan		Bonuses or benefits payable or likely to be payable due to the termination or change of functions		Compensation related to a noncompete clause	
	Yes	No	Yes	No	Yes	No	v	Non
Frédéric Chesnais Chief Executive Officer Starting date : February 1, 2013		x		x		x		x

The following tables include compensation and benefits of any kind due and/or paid to corporate officers by the company in which they are appointed as directors, in connection with such appointment by the company and by the controlled companies within the meaning of Article L233-16 of the French Commercial Code.

Table 1: Executive corporate officer compensation:

Frédéric Chesnais - CEO *(Amounts in K€)*	FY 2016/2017				FY 2015/2016			
	Amount due		Amount paid		Amount due		Amount paid	
	Atari SA	Subs.	Atari SA	Subs.	Atari SA	Subs.	Atari SA	Subs.
Fixed compensation	12	300	12	300	12	300	12	300
Variable compensation	-	-	-	-	-	-	-	-
Director's fees	20	-	20	-	20	-	20	-
Non-cash benefits	-	-	-	-	-	-	-	-
TOTAL	**32**	**300**	**32**	**300**	**32**	**300**	**32**	**300**

On May 24, 2017, to cover the entire period from April 1, 2013 to March 31, 2017 (4 years), the Board agreed on overall exceptional compensation of €420,000 payable half in cash and half in Company stock.

Table 2: Compensation of non-executive Corporate Officers:

(Net amounts in K€)	FY 2016/2017		FY 2015/2016	
	Director's fees	Other compensation	Director's fees	Other compensation
Alexandre Zyngier	20	30	20	30
Erick Euvrard	20	-	20	-
Isabelle Andres	20	-	20	-
Alyssa Padia Walles	-	-	20	-
TOTAL	**60**	**30**	**80**	**30**

(1) Franck Dangeard became a non-voting Board member effective April 1, 2016. This position is unpaid.

STOCK OPTION PLANS AND STOCK OPTIONS:

For each plan, the exercise price is set by the Board of Directors on the day the options are awarded. It corresponds to an average of the stock market prices preceding the date of the Board of Directors’ meeting, with or without a discount. The options expire after a period of eight years from the date of their definitive free award.

RETENTION OBLIGATIONS APPLICABLE TO CORPORATE OFFICERS

In accordance with the regulations in force, the Board of Directors has adopted retention rules applicable to the Chief Executive Officer and the Chairman of the Board since the 2007/2008 financial year. The Board has decided that the Chief Executive Officer and the Chairman of the Board should retain, for the duration of their directorship, at least 15% of the shares acquired following the exercise of these share subscription options.

SUMMARY OF THE MAIN CHARACTERISTICS OF THE OPTION PLANS

On November 1, 2014, stock option plan No. 23 was put in place. As of March 31, 2017, the total number of shares for which existing options could be exercised represented 3.51 % of the Company's share capital at that date.

The main characteristics of all outstanding Atari stock options are summarized in the table below. No other Atari share option has been awarded by other Group companies.

Current Option Plan:

Option plan in effect	**Plan N°23**
Date of Shareholders' Meeting	Sept 30, 2014
Date of Board of Directors Meeting	May 9, 2017 June 29, 2015 Jan 4, 2016 June 27, 2016
Number of Stock Options granted	8 004 000
Of which to the Top Executive Management and Board of Directors	*5 650 000*
Expiration date of stock option	Oct 31, 2022 Oct 31, 2023 Jan 3, 2024 May 31, 2024
Exercise price of stock options (in euros) (1)	0,20€ - 0,20€ 0,16€ - 0,18€
Vesting of stock options granted	1/3 per year
Total number of stock options outstanding on March 31,2014	**-**
Number of stock options granted during FY 2014/2015	5 104 000
Number of stock options cancelleded during FY 2014/2015	-
Total number of stock options outstanding on March 31,2015	**5 104 000**
Number of stock options granted during FY 2015/2016	521 472
Number of stock options cancelleded during FY 2015/2016	-
Total number of stock options outstanding on March 31,2016	**5 625 472**
Number of stock options granted during FY 2016/2017	2 378 528
Number of stock options cancelleded during FY 2016/2017	-
Total number of stock options outstanding on March 31,2017	**8 004 000**

(1) The subscription price of the options is determined without discount or premium in relation to the weighted average market price of the last twenty trading days prior to the allocation of the options.

Decided by the Shareholders' Meeting of September 30, 2014, 5,625,472 options were awarded on March 31, 2016, including 4,000,000 for Frédéric Chesnais. During the 2016/2017 financial year, 2,378,528 additional options were awarded under this plan, including 1,650,000 for Frédéric Chesnais. As of March 31, 2017, there are no more options to award under this plan.

SUBSCRIPTION OPTIONS GRANTED TO ATARI'S CORPORATE OFFICERS DURING THE 2016/2017 FINANCIAL YEAR AND OPTIONS EXERCISED BY THEM

Stock Options Granted to Each Executive Corporate Officer by the Issuer or by Any Other Group Company:

As part of the agreement reached with Alden on July 12, 2016, Atari had set up a loan of €2.0 million underwritten by Ker Ventures (holding controlled by Frédéric Chesnais) and €0.5 million underwritten by HZ Investments (Alexandre Zyngier and HZ Investments hereinafter collectively referred to as "Alexandre Zyngier"). On July 7, 2016, the Board of Directors granted, as compensation in addition to the loaned sums, 4,117,647 warrants for Ker Ventures and 1,029,412 warrants for Alexandre Zyngier. These warrants (also known by their French acronym BSA, from *bon de souscription d'actions*) are exercisable at any time for 5 years with a non-discounted subscription price of €0.17. The fair value of the warrants is determined using the Black-Scholes model.

In January 2017, as announced, Atari replaced these warrants with new warrants exercisable in new shares in the same quantities and under the same terms as the warrants issued on July 12, 2016. However, as the shares delivered in the event of the exercise of these new warrants are new shares, the exercise of these new warrants will therefore lead to additional dilution. Concurrently with this new issue of warrants, Ker Ventures and Alexandre Zyngier have relinquished the old warrants granted in July 2016 which are, in fact, canceled. The potential dilution of these warrants would be 2.25% based on the capital as of March 31, 2017.

Stock Options Exercised during the Financial Year by Each Executive Corporate Officer:

No subscription option has been exercised in the last three financial years.

STOCK OPTIONS GRANTED BY THE COMPANY AND ITS SUBSIDIARIES TO EMPLOYEES, AND OPTIONS EXCERCISED BY THE LATTER

During the year, the Company granted 2,378,528 share stock options to Company employees who are not corporate officers.

BOARD OF DIRECTORS' SPECIAL REPORT ON THE STOCK OPTIONS TO THE COMBINED GENERAL MEETING CALLED TO APPROVE THE FINANCIAL STATEMENTS AS OF MARCH 31, 2017

(Drawn up in accordance with Article L. 225-184 of the French Commercial Code)

Dear Shareholders,

In the context of our General Meeting, and in accordance with Article L. 225-184 of the French Commercial Code, we inform you in this report of the transactions covered by Articles L. 225-177 to L 225-186 of the French Commercial Code relating to stock options.

We inform you that, during the period, the Company granted 2,378,528 stock options.

Pursuant to Article L. 225-184 of the French Commercial Code, we also detail in this special report personal information on the definitive free shares granted and on the exercise of stock options by corporate officers and those who have received the most significant definitive free grants.

1. Stock Options Granted by the Company to Each of its Corporate Officers

During the period, 1,650,000 stock options and 4,117,647 warrants were granted to Frédéric Chesnais and 1,029,412 warrants to Alexandre Zyngier.

2. Stock Options Granted by the Company's Subsidiaries to Each of the Company's Corporate Officers

During the year, no stock options were granted to corporate officers or directors of the Company by one of its subsidiaries.

3. Shares Subscribed or Purchased by Corporate Officers through the Exercise of Stock Subscription or Purchase Options Granted by the Company or its Subsidiaries

No options were exercised by corporate officers during the period.

4. Stock Options Granted by the Company and its Subsidiaries to Employees

During the year, no options were exercised by employees and 728,528 options were granted to Group employees.

5. Shares acquired by Company employees through the exercise of stock options granted by the Company or its subsidiaries to the ten Company employees, other than corporate officers, who subscribed the largest number of options

During the period, no shares were subscribed by employees of the Company through the exercise of stock subscription or purchase options granted by the Company or its subsidiaries.

Paris, August 1, 2017 - The Board of Directors

8. RISKS RELATED TO THE ACTIVITY

FINANCIAL RISKS

For more information on financial risks, refer to Note 25 to the Consolidated Financial Statements. "Market Risk Management."

Liquidity Risk, Risks Associated with a Going Concern, and Risks Associated with Operating Losses

The Company has carried out a specific review of its liquidity risk and considers that it is in a position to meet its future payments in time. Information on the going concern assumption and indebtedness is presented in Notes 2.1 to the consolidated financial statements included in this Reference Document.

The cash flow statements prepared by the Company in recent years show the following trends:

(M€)	March 31, 2017	March 31, 2016
Net cash (used)/generated in operating activities	**3,1**	(0,5)
of which continuing operations	3,1	(0,5)
Net cash (used)/generated in investing activities	**(6,7)**	(3,9)
of which continuing operations	(6,7)	(3,9)
of which intangible assets and fixed assets	(6,7)	(3,9)
Net cash provided (used in) by financing activities	**3,4**	1,9
of which continuing operations	3,4	1,9
of which interest paid	(0,2)	(0,8)
Other cah flows	**0,1**	0,1
Net change in cash and cash equivalent	**(0,1)**	(2,5)

Since the 2012/2013 financial year, the Group has implemented a program for massive deleveraging and replenishment of equity. As of March 31, 2017, the debt had almost been repaid in full and shareholder's equity had moved into positive territory. Thus:

- As of March 31, 2013, shareholders' equity (Group share) amounted to -€34.9 million. At the same date, net debt amounted to €31.4 million and the Group did not have drawdown capacity on its credit facility
- As of March 31, 2014, shareholders' equity (Group share) amounted to -€31.3 million. At the same date, the net debt amounted to €24.8 million.
- As of March 31, 2015, shareholders' equity (Group share) amounted to -€13.1 million. At the same date, the net debt amounted to €11.0 million.
- As of March 31, 2016, shareholders' equity (Group share) amounted to -€10.6 million. At the same date, the net debt amounted to €13.3 million.
- As of March 31, 2017, shareholders' equity (Group share) amounted to +€7.4 million. At the same date, the net debt amounted to €0.9 million.

For the 2017/2018 financial year, the Group favors growth, improved profitability, with seasonality similar to that of the 2016/2017 financial year, and cash generation.

The table below shows the breakdown of gross financial debt by maturity date:

(M€)	31.03.2017	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2020
OCEANEs 2003-2020	**(0,6)**	-	-	(0,6)
OCEANEs 2015-2020	**(1,4)**	-	-	(1,4)
Total Financial liabilities	**(2,0)**	-	-	(2,0)

The situation of each of these credit facilities can be summarized as follows:

- The "Océane 2015-2020" facility relates to bonds issued in February 2015 and maturing in February 2020
- The "Océane 2003-2020" facility relates to restructured Océane bonds maturing in April 2020

On July 12, 2016, the Atari Group entered into an agreement with Alden resulting in a total and definitive repayment of the Alden loan as already stated above in paragraph "1.2. Highlights of the Period."

Risks Associated with the Realization of the Guarantees Granted by the Group

Given the agreement reached with Alden on July 12, 2016, there is no longer any security interest or guarantee granted to third parties.

Risks Associated with the Group's Ability to distribute dividends

The Company does not intend to distribute dividends in the last financial year ended and has not distributed dividends in the two previous years. Moreover, it does not contemplate any distributions in the near future.

RISKS ASSOCIATED WITH THE COMPANY'S ACCOUNTS

Foreign Exchange Risk—Interest-rate Risk

The parent company is responsible for risk management according to the context of the financial markets and the procedures established by management. Foreign exchange transactions are carried out according to local laws and access to the financial markets. Subsidiaries may enter into contracts directly with local banks under the supervision of the parent company and in accordance with the

Group's procedures and policies.

For foreign exchange risks related to the financing of subsidiaries, they are concentrated at the level of the parent company and, where appropriate, specific hedges are put in place according to the financing strategies envisaged. As of March 31, 2017, the Group has not implemented a currency hedging policy on these amounts.

Each of the main currency zones (euro, US dollar) is overall balanced between cash inflows and disbursements. For this reason, the Group has not implemented a currency hedging policy on its commercial operations.

Nevertheless, since the Group's consolidated financial statements are presented in euros, the assets, liabilities, income, and expenses that are initially being recorded in currencies other than the euro must be then translated into euros at the applicable exchange rate before they are included in the Group's consolidated financial statements. If the euro appreciates against any other currency, the value in euros of the Group's assets, liabilities, income and expenses initially denominated in another currency will decrease. The opposite is true if the euro depreciates. As a result, changes in the exchange rate of the euro may have an effect on the value in euros of the Group's assets, liabilities, income and expenses outside the eurozone, even if their value remains unchanged in their original currency. The most critical foreign exchange risk relates to the revenue and result of subsidiaries that record their transactions in USD and to the Group's intangible assets and purchased goodwill denominated in USD.

An unfavorable change in the euro/dollar exchange rate would not have a significant impact on the overall currency position. As an indication, a 1% unfavorable variation of the US dollar against the euro would result, on the basis of the financial statements dated March 31, 2017, in a variation of -€0.1 million of the consolidated revenue and no impact on the consolidated net income of the Group.

The table below shows the company's exposure to the US dollar:

(in USD million)	**March 31, 2017**	March 31, 2016
Total current assets	8,2	6,1
Total Liabilities	(9,2)	(7,1)
Net	**(1,0)**	**(1,0)**
Off-balance-sheet commitments	-	-
Net position	**(1,0)**	**(1,0)**

Interest-rate Risk

The Group no longer has a variable rate loan.

The breakdown by rate of the Group's borrowings is as follows:

(M€)	**March 31, 2017**	March 31, 2016
At variable rate	**-**	12,5
At fixed rate	**2,0**	2,1
Total	**2,0**	14,5

As of March 31, 2016, floating rate debt consisted of the Alden Loan at the legal rate of interest since the July 23, 2015, court decision.

Credit Risk

The global distribution of the Group's customers and the business risk management procedures have ensured there is no excessive concentration of credit risk.

RISKS ASSOCIATED WITH POTENTIAL DILUTION

The Company has issued dilutive securities, as described in the section entitled "Information on the Potential Dilution of the Company's Capital" of this document. The dilution that may result from the exercise of all these dilutive instruments is 7.21% as of March 31, 2017. Thus, a shareholder who holds, as of March 31, 2017, 1.0% of the capital of the Company, would potentially see his/her stake reduced to 0.93 % if all these dilutive securities were exercised, and would be unable to maintain his/her shareholding percentage.

RISKS ASSOCIATED WITH LICENSING

The RollerCoaster Tycoon license accounted for approximately 52% of revenue in 2016/2017 and expires in 2022 given the renewal obtained in May 2017. In any case, the Group is working to launch new franchises. At this stage, the Group considers that the loss of a license (by non-renewal or termination of contract) such as RollerCoaster Tycoon could, on its own, have a significant impact on its business or result. In addition, the simultaneous loss of several licenses could significantly affect the Group's financial position, business, or result, since such losses would not be offset by new licenses having the same economic impact.

The Group's business also depends in part on licenses to use consoles (hardware) granted by console manufacturers. These licenses, granted for three years on average, allow for developing and operating of products on a proprietary medium (Xbox One, PS4, i Phone, etc.). These agreements also provide the Group with a guarantee against legal action that third parties could bring directly against the manufacturers because of these products. This warranty covers the content, marketing, or sale of such products and covers infringements of intellectual property rights held by third parties. However, no hardware license is required for products edited on the PC format.

RISKS ASSOCIATED WITH THE VIDEO GAME INDUSTRY

Risk of a Change of Business Model

Atari is evolving towards a new business model centered on mobile and online games promoting the Atari brand and Atari's intellectual property, rather than games sold in boxes in supermarkets or via specialized networks. Atari derives most of its revenue from the mobile gaming activities of Apple's iOS and Google's Android platforms, and if Atari is unable to maintain good relationships with these two companies, or if Apple's App Store, Google's Play Store, or Amazon's App Store are unavailable for a significant period of time, Atari's business would suffer.

The Atari team continues to develop a more effective monetization of mobile and online games through microtransactions (using the best-known "freemium" business model), advertising, and paid downloads.

In order to increase the revenue generated by digital activities, Atari needs to increase the number of users playing its games and keep them longer for more efficient monetization. To attract and retain players, Atari must allocate its creative and development resources to the creation of captivating content. One of the challenges of the freemium business model is to gain users' loyalty after initial game downloads, and Atari may not be able to increase the average play time of its players. If Atari fails to increase the number of active users, if the rates at which it attracts and retains players do not increase, or if the average amount spent by players declines, Atari's financial position will suffer.

In addition, users' preferences are constantly changing and are often unpredictable. Sales could suffer if Atari fails to develop and publish new digital games accepted by the market or if Atari fails to direct users' interest to its games rather than to other forms of entertainment to which consumers have access.

Risks Related to New Platforms

Thanks to the change of strategy in recent years, the Group is no longer dependent on console manufacturers.

Atari's new strategy, focused on digital games (mobile and online), involves a significant development of new titles for smartphones, tablets, and online content. If Atari cannot generate the revenue and gross margins contemplated in the budget for these games, the Group's financial position, revenue, and operating profit will suffer.

For Atari's success, management believes that the company needs to publish more mobile games, which are widely appreciated and have a great commercial success on smartphones and tablets platforms, succeed at monetizing games, but also significantly increase the number of users of Atari games and their average play time. Atari's efforts to increase revenue from smartphone and tablet games may not be successful or, even if they are, the time it takes to draw significant revenue from them may be longer than expected. The risks inherent in these games for smartphones and tablets are due to the changing nature of platforms such as Apple's App Store and Google's Play Store. Because of this, it's hard for Atari to accurately forecast sales. In addition, the direct nature of sales on these digital storefronts significantly increases competition. It also makes promoting Atari games more difficult.

Some of our competitors may have more resources to invest in the development and publishing of these digital games, which makes competition fiercer. In addition, this can lead to lower marketing opportunities on these platforms, complicating coordinated marketing efforts. Finally, price sensitivity is increased due to the changing nature of the mobile and digital markets.

Risks Associated with the Lifetime and Success of the Games

The main risks intrinsic to the business of video game publisher concern the lifetime of a given game and the change in technologies. In a highly competitive interactive leisure market that is increasingly focused on "hits," the Company's financial position and outlook depend on its ability to regularly offer new titles that can meet players' expectations and obtain commercial successes from these products and in particular from these flagship products. The commercial success of games depends on the reception of the public, which is not always predictable.

Beyond all the creative and technical means implemented to optimize the quality of each game launched, Atari seeks to protect itself against this risk by offering a balanced and diversified range of products combining original titles with own franchises.

Risks Associated With Dependency on a Limited Number of Dames and Delayed Release of Key Games

Although the Company pays particular attention to the quality of its games, it is nevertheless exposed to a risk of dependency related to the fact that it releases a small number of games, which correspond to a large portion of its business.

In addition, the Group's desire to revitalize its publishing plan depends in part on the release of a limited number of "key" franchises.

The Group mainly outsources its development projects to independent developers hired via contract, who may not be able to release the game on schedule or who may be forced to suspend production. In addition, the Group may not find suitable developers for certain games, or the developers' level of competence may be insufficient to obtain the quality necessary for a game to succeed. The developer may also experience financial difficulties, change key members of its team, or face any other difficulty that may cause significant delays or the abandonment of a game.

Although the Group carefully chooses its external developers and the rigor of their production processes, the risk of delayed or even canceled games cannot be totally eliminated. The delayed release of major games or their abandonment could have a material adverse effect on the Group's financial position. In order to reduce these risks, the Company is seeking to increase internal technical expertise by hiring key personnel (in the areas of technology, art, production, and design) and strengthening its internal development capabilities in the field of mobile games.

Risks Associated with the Seasonality of the Business

The traditional video game industry sold in stores is exposed to strong seasonal variations in business which translate into a high level of activity in the second half of the year and more particularly in the third quarter of the year with the Christmas period. This phenomenon, which varies in intensity, is likely to affect the Group's interim results and annual results.

The following table shows the breakdown of revenue by six-month period over the past two years.

(M€)		1st half (april - september)	2nd half (october - march)	TOTAL
FY 2017/2018	**Amount**	**6,0**	**9,4**	**15,4**
	% of total revenues	39,1%	60,9%	100,0%
FY 2016/2017	**Amount**	**4,2**	**7,8**	**11,9**
	% of total revenues	35,0%	65,0%	100,0%

Risks Associated with Customer Dependency and Withdrawal from Sale

The transition to the digital segment, whose business model is based on advertising, microtransactions, the sale of mobile games, or a direct subscription by the end customer, will significantly reduce the Group's risk related to dependence on customers and the risk of withdrawal from sale. For the 2016-2017 financial year, Apple is the Group's largest customer and accounts for 23% of the Group's pre-tax revenue; the top five and ten customers represent respectively 70% and 85% of the Group's pre-tax revenue.

Risks Associated with Changes in Video Game Regulations

The Group's business is not subject to any particular regulation and does not require administrative authorizations, except for regulations specific to certain countries regulating games of chance with real money. However, if the public perception of video games, and action games in particular, changed for the worse, it could lead to a more restrictive regulatory landscape for product classification and distribution.

RISKS ASSOCIATED WITH PIRACY

We take a pragmatic approach against the fight against piracy based on the identified risks and the relevant territories. In France and the rest of Europe, Atari works closely with the anti-piracy unit set up by the French National Video Game Association (Syndicat National des Jeux Vidéo, SNJV) and the customs department.

The Company works with US Customs as part of its anti-piracy mission.

In addition, the Group uses specialized companies to combat the illegal downloading of its products and links its products to software designed to prevent the making of illegal copies. Thus, the Group works with an online monitoring company to combat piracy and the counterfeiting of its products.

RISKS ASSOCIATED WITH DATA SECURITY

Legislation and regulations relating to the confidentiality and security of personal data are constantly changing and if Atari does not comply with them, or gives the impression of not complying with them, its business could suffer.

The Group is subject to the laws of France, the United States, and other countries relating to the confidentiality and security of personal data that Atari collects from its users; these laws are evolving and should keep on changing for some time.

The US government, including the Federal Trade Commission and the Department of Commerce, has announced that it is examining whether it is necessary to put in place more extensive regulations on the collection of information about consumer behavior on the Internet, and the European Union is currently proposing reforms to the existing legal framework on data protection. Different governments and consumer associations are also calling for new regulations and changes in industry practices. If Atari does not comply with the laws and regulations relating to the confidentiality of personal data or if its practices in this area were to be questioned by a consumer, even without ground, this could damage the reputation of the Group and operating profit could suffer.

The Company makes its privacy policy and terms of service available at www.atari.com. In these documents, Atari describes its practices in the use, transmission and disclosure of information it collects on its users. Any non-compliance by Atari with its privacy policy, service conditions, or laws and regulations relating to the confidentiality of personal data may result in legal action against the Company by public authorities, which could be detrimental to Atari’s business. Moreover, the interpretation of data protection legislation and its application to the mobile or online video game sector is often unclear. There is a risk that these laws may be interpreted and applied in a contradictory manner from one state to another, from one country to another or from one region to another, and based on an interpretation that does not correspond to the practices in force in the Company. The Company may have to incur additional costs and modify its business practices to comply with these various obligations. Finally, if Atari fails to adequately protect the confidential information of its users, the latter may lose confidence in its services and this could adversely affect the Group’s business.

LEGAL RISKS

In the normal course of business, Group companies may be involved in a number of legal, arbitral, administrative and tax proceedings. The significant legal risks to which the Group is exposed are presented below.

Apart from the disputes referred to in this document, to the Company’s best knowledge, no proceedings have been brought by a government, and there are no judicial or arbitral proceedings, including any ongoing proceedings or threat of action that could have a significant impact on the Group’s financial position and profitability or that have had such an impact in the last twelve months.

On the other hand, with regard to certain disputes, the Company has been able to estimate the potential risk and has, therefore, made provisions where necessary.

Main Disputes to which the Group is Party

Dispute between a Former Employee and the Company

During a previous financial year, a significant dispute arose between the Company and a former employee of the Group who claimed to have co-authored of one of the Group’s main franchises. The plaintiff is seeking monetary and non-monetary damages arising from the allegedly illegal distribution by the Group of games based on this universe. The lawsuit is for approximately €17 million. At this stage of the proceedings, the Company categorically denies that the plaintiff’s status of author and/or co-author, and considers the latter’s claims as unfounded on the merits and on their amount. The respective submissions of the parties have been lodged with the competent courts. On September 8, 2016, the Court of First Instance of Lyon rendered a provisional judgment refusing certain requests and ordering an expert opinion on certain aspects of the case. This expert opinion is currently still in progress.

Litigation Concerning a Development and Distribution Agreement

Atari Interactive, Inc. ("Atari") and Frontier Developments, PLC ("Frontier") are engaged in legal proceedings in the Commercial Division of the New York State Supreme Court. Initiated by Frontier, this procedure concerns the agreement for the development and distribution of RollerCoaster Tycoon 3 Platinum (the original RCT3 game and the 2 extensions), which Atari has been granted, and relates mainly to the scope of the contractual audit clause and royalties paid by Atari to Frontier. Other games in the RollerCoaster Tycoon franchise are not affected (RCT1 and RCT2 and their respective extensions, RCT World and all mobile games), as Frontier has no rights to them because it is not the developer. Atari intends to assert its rights and defend its contractual position, and it considers that the required provisions were recorded at the end of the financial year.

RISKS ASSOCIATED WITH THE LOSS OF THE BRAND

The Company changed its corporate name in 2006, abandoning the "Infogrames" brand in favor of the well-known ATARI brand for all of the Group's global sales operations. The ATARI brand is a synonym for video games worldwide, in all languages, it enjoys an incredible reputation, and is in and of itself the Group's most important intellectual property asset. As such, it is relatively coveted by other market operators who may be able to express their interest in an acquisition for a transfer price that may be essential for the Group's development. As part of the auction process that took place in 2013 in the United States, Atari SA managed to maintain control of the brand through its wholly-owned subsidiary Atari Interactive, Inc. A loss of the brand would have directly resulted in (i) a change of corporate name for the company, (ii) a significant loss of reputation that could have significantly impacted commercial activity, (iii) and a substantially loss in the Group's value.

RISKS ASSOCIATE WITH THE REGULATORY ENVIRONMENT OF THE GROUP

The Atari Group, like any game publisher, must comply with many national regulations on the content of games and the protection of consumer rights. Failure to comply with these regulations may have a negative impact on sales (delayed launching or withdrawal of products from the market for example) and on customer loyalty (loss of the players attentive to the respect of their rights and risks of complaints filed with consumer associations and administrative authorities).

The Atari Group makes sure that it complies with the regulations that apply to it on consumer protection, particularly with regard to informing the consumer about the rules of use and the content of games, by referring to age ratings defined either by the Pan European Game Information (PEGI) classification in Europe or by the Entertainment Software Rating Board (ESRB) classification in the United States. Finally, as regards the insertion of advertising within the games, the Group ensures compliance with the sector's regulations.

RISKS ASSOCIATED WITH TO HUMAN RESOURCES

Risk Related to the Departure of Key Personnel

In the event of the departure of key personnel, the Group may encounter difficulties in replacing them and its activities may be slowed down. Similarly, its financial position, results, or ability to achieve its objectives could be affected. The Group has a key personnel insurance policy as well as an "Executive Liability" insurance policy.

Risk Associated with Hiring Needs

The success of the Group is largely due to the performance of the technical teams and their management. The development of new technologies and the desire to make more games are also contributing factors.

Like most players in the video games sector, the Group faces difficulties in hiring personnel with specialized and experienced technical skills. The success of its growth strategy will depend on its ability to retain its talent and attract new talent as the long restructuring period the Group has faced has put a strain on a number of its assets and skills. The performance risks arising from these considerations are likely to have an impact on the implementation of the relaunch plan and the financial position of the Group.

RISKS ASSOCIATED WITH THE ENVIRONMENT

The Group's business consists of publishing and distributing leisure software. This activity has no significant direct impact on the environment. The Group subcontracts all manufacturing and distribution of media (CDs, cartridges, etc.) to third parties.

RISKS ASSOCIATED WITH EQUITY PARTICIPATIONS

As part of its licensing business, the Group may receive unlisted securities in consideration for for a brand and/or gaming license. These securities are valued at their fair value. Given their lack of liquidity, these securities are more difficult to value and dispose of than listed shares. Their value is also more sensitive to significant and rapid variations, as these companies are generally start-ups operating in high-growth industries and are most often in the fundraising phase. The risk of default of these investments is accordingly higher, given their characteristics.

OTHER SPECIFIC RISKS

With the exception of the above risks, the Company is not aware of any specific risks likely to have a significant impact on its business.

MEASURES IMPLEMENTED TO SECURE THE BUSINESS

This information is provided in the "General Presentation" section of the annual report.

EXCEPTIONAL EVENTS AND DISPUTES

This information is provided in the "General Presentation" section of the annual report.

9. INFORMATION CONCERNING THE WORKFORCE

The following information is published pursuant to French Law No. 2001-420 of May 15, 2001, on new economic regulations.

The scope of this report includes the entities of the Economic and Social Unit (*Unité Economique et Sociale*, UES) Atari—that is to say the holding company—Atari SA, and Atari Europe SAS and excluding executives.

At the end of the financial year, the aforementioned French entities employed a total of two employees. Both benefit from a permanent employment contract (*Contrat à Durée Indéterminée*, CDI), are executives, and are men.

ORGANIZATION WORKING TIME, AND ABSENTEISM

Working hours within the French entities of the UES are divided into fixed periods where the presence of employees is mandatory and in variable ranges allowing a great flexibility for personal organization, for people reporting their time. For the independent managers, the working time is based on a maximum number of working days in the year. The average weekly working time is 35 hours, according to the agreement in force within the UES. The figures on absenteeism are no longer relevant because of the small number of employees still employed in France.

Workforce External to the Company

The Company relies on outside labor only for the maintenance of its premises.

Compensation

The annual gross payroll (excluding corporate officers and trainees) for all French subsidiaries comprising the UES is €0.2 million in calendar 2016, compared to €0.3 million in 2015. The Company does not pay overtime to its employees. These are recovered and take the form of compensatory time off due to the 35-hour agreement.

Health and Safety

The number of work and commuting accidents affecting the Group's French entities is extremely low. No accidents at work and no commuting accidents have been reported since January 1, 2011. No occupational diseases were reported during the same period.

Training

The percentage spent on training was less than 1% of payroll in the 2016 calendar year.

INFORMATION CONCERNING EMPLOYEE PROFIT SHARING

Employee Profit-sharing Agreement

An employee profit-sharing agreement was entered into on December 15, 1999. It concerns the Group's French companies. The sums allocated to employees are calculated according to the legal calculation formula for their shareholding and are distributed among the employees of the French companies of the UES. This profit-sharing agreement includes the possibility for employees to pay the sums allocated to Group's Company Savings Plan (see below). As of March 31, 2017, no amount has been provisioned for employee profit sharing.

In addition, on May 13, 2014, the Board of Directors set up a bonus plan based on the operating profit of subsidiary Atari Capital Partners. Employees will be eligible if the projects generate a positive operating result.

Company Savings Plan (*Plan d'épargne entreprise*, PEE)

A company savings plan was set up for employees of the Group's French entities on December 15, 1999. It may receive the sums paid to employees in the context of the Group's profit-sharing agreement as well as voluntary payments by employees within the limits provided by law.

No shares have been offered to employees since the financial year ended March 31, 2006.

The sums paid into the Company Savings Plan are invested, at the employee's choice, (1) in an FCPE (company mutual fund) exclusively composed of money market products, (2) in diversified mutual funds (International Equities/Bonds), or (3) in a solidarity fund, in accordance with the French law of August 4, 2008.

10. INVESTMENT POLICY—RESEARCH AND DEVELOPMENT

Information at Group level is given in the "General presentation—Investment policy" section of this report. The Group does not perform pure research.

11. SUBSEQUENTS EVENTS

This information on subsequent events is presented in Note 28 to the consolidated financial statements.

12. COMPANY PROSPECTS

For the 2017/2018 financial year, the Group's objectives are to grow the business, improve profitability, and generate cash, all with a seasonality similar to that of the 2016/2017 financial year.

The Group has demonstrated the cross-media appeal of the Atari brand and games. In addition to video games, the Group continues to develop its online casino, multimedia production, and connected objects businesses.

Indeed, given their multi-generational character, it is possible to monetize this brand and these iconic games in multiple media and in multiple areas, including five priority areas selected by the Atari Group: video games, online casino, multimedia production, connected objects, and licensing agreements. As the recent television production agreement with Discovery Communications has shown, the Atari Group can grow through partnership agreements with entertainment giants. The Atari Group is actively working to enter into new partnership agreements in this area of entertainment, which appears particularly conducive for capitalizing on and enhancing the Atari brand.

13. RESULTS AND OTHER CHARACTERISTIC ELEMENTS OF ATARI SA IN THE LAST FIVE FINANCIAL YEARS

	Nature of information	31/03/2013	FY 2013/2014	FY 2014/2015	FY 2015/2016	FY 2016/2017
I	**Share capital at end of period (en €)**					
a)	Share capital at end of period (en €)	14 767 376	487 215	1 708 132	1 831 856	2 304 088
b)	Number of shares outstanding	29 532 282	48 721 472	170 813 236	183 185 574	230 408 755
c)	Cumulative number of preferred shares (without voting rights) outstanding	-	-	-	-	-
d)	Maximum number of shares to be issued	37 907 622	125 578 537	22 810 576	8 985 338	16 623 190
	on conversion of bonds	*35 762 690*	*124 269 385*	*16 397 424*	*3 359 866*	*3 353 771*
	on exercise of stock options	-	*1 309 152*	*6 413 152*	*5 625 472*	*8 076 036*
	on exercise of warrants	*1 679 932*	-	-	-	*5 193 383*
	on grants of free shares	*465 000*	-	-	-	-
	Other	-	-	-	-	-
II	**Operations, income for the period (in €)**					
a)	Net revenue before tax	5 094 846	1 147 162	144 603	1 422 025	2 009 304
b)	Net income before tax, depreciation, amortization and provisions	4 188 299	(227 228 215)	(16 223 711)	299 782	825 083
c)	Income tax	-	-	(709 124)	-	14 262
d)	Employees' share of profit for the period (charge for the period)	-	-	-	-	-
e)	Net income after tax, depreciation, amortization and provisions	(221 356 358)	(6 099 079)	739 061	1 774 321	1 717 313
f)	Dividend paid	-	-	-	-	-
III	**Income (Loss) per share (in €)**					
a)	Net income after tax, but before depreciation, amortization and provisions	0,14	(4,66)	(0,10)	0,00	0,00
b)	Net income after tax,depreciation, amortization and provisions	(7,50)	(0,13)	0,00	0,01	0,01
c)	Dividend per share	-	-	-	-	-
IV	**Workforce**					
a)	Average number of employee during th	5	4	3	3	3
b)	Salary expense for the period	686 803	482 934	261 008	387 542	336 767
c)	Amounts paid for social benefits (social security, social welfare, etc.)	131 583	242 805	131 606	251 349	170 013

14. SUMMARY TABLE OF THE DELEGATIONS CURRENTLY VALID GRANTED BY THE SHAREHOLDER'S GENERAL MEETING WITH REGRAD TO AN INCREASE IN CAPITAL AND THEIR UTILIZATION

Nature of the Delegation of Authority	GM Date Resolution Reference	Duration Term	Maximum Nominal Amount of Capital Increase (€)	Use during the Past Period
Issuance of shares or securities giving access to the capital of the Company, with the maintenance of the preferential subscription right of the shareholders.	Sep 30, 2016 Resolution 12	26 months Nov 30, 2018	€30,000,000	Used
Issuance of shares or securities giving access to the capital of the Company or giving right to the award of debt securities, with cancellation of the preferential subscription right of shareholders by way of public offer.	Sep 30, 2016 Resolution 13	26 months Nov 30, 2018	€30,000,000	Not used
Issue of Company securities, with cancellation of the preferential subscription right of the shareholders in favor of the members of a company savings plan.	Sep 30, 2016 Resolution 14	26 months Nov 30, 2018	€5,000,000	Not used
Increase in the number of securities to be issued in the event of excess demand when launching an issue of securities referred to in Resolutions 12 and 13, within the limit of 15% of the initial issue.	Sep 30, 2016 Resolution 15	26 months Nov 30, 2018	Option of additional award limited to 15% of the initial issue.	Not used
Issue of shares or securities giving access to the capital in consideration for contributions in kind granted to the company and consisting of equity securities or securities giving access to the capital outside a securities exchange takeover bid	Sep 30, 2016 Resolution 16	26 months Nov 30, 2018	10% of the capital of the Company	Not used
Award of Company stock subscription and/or purchase options	Sep 30, 2016 Resolution 17	38 months Nov 30, 2019	10% of the capital of the Company	Used
Issuance of ordinary shares or any securities giving access to the capital, up to a limit of 20% of the share capital per year, with cancellation of the preferential subscription right of the shareholders, by an offer referred to in paragraph II of Article L. 411-2 of the French Monetary and Financial Code.	Sep 30, 2016 Resolution 18	26 months Nov 30, 2018	€20,000,000 and 20% of the capital of the Company	Not used
Issuance and award of warrants entitling the holder to the subscription of a maximum number of 20,000,000 common shares; this limit is applied globally to the total number of warrants whose award would be authorized.	Sep 30, 2016 Resolution 19	18 months Nov 30, 2017	€200,000	Not used
Cancellation of the shareholders' preferential subscription right for the issue of the warrants referred to in Resolution 19	Sep 30, 2016 Resolution 20	18 months Nov 30, 2017	€200,000	Used

Nature of the Delegation of Authority	GM Date Resolution Reference	Duration Term	Maximum Nominal Amount of Capital Increase (€)	Use during the Past Period
Issuance of ordinary shares or any securities giving access to the capital, up to a limit of 20% of the share capital per year, with cancellation of the preferential subscription right of the shareholders, by an offer referred to in paragraph II of Article L. 411-2 of the French Monetary and Financial Code.	Sep 30, 2015 Resolution 15	26 months Nov 30, 2017	€20,000,000 and 20% of the capital of the Company	Used

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French *société anonyme* (corporation) with capital of €2,304,087.55
Corporate headquarters: 78 rue Taitbout 75009 PARIS – France
RCS Paris 341 699 106

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED MARCH 31, 2017

SUMMARY

CONSOLIDATED INCOME STATEMENT

(M€)	31.03.2017	31.03.2016 (1)
Revenue	**15,4**	11,9
Cost of goods sold	**(3,9)**	(1,8)
GROSS MARGIN	**11,5**	10,1
Research and development expenses	**(3,8)**	(3,3)
Marketing and selling expenses	**(2,0)**	(1,3)
General and administrative expenses	**(4,1)**	(4,0)
Other operating income (expense)	**0,3**	(0,2)
CURRENT OPERATING INCOME (LOSS)	**1,9**	1,4
Restructuring costs	**-**	-
Other income (expense)	**6,6**	(1,3)
OPERATING INCOME (LOSS)	**8,5**	0,0
Cost of debt	**(0,8)**	(0,8)
Other financial income (expense)	**(0,0)**	0,1
Income tax	**(0,0)**	0,5
NET INCOME (LOSS) FOR THE YEAR	**7,7**	**(0,1)**
Group share	**7,7**	0,3
Minority interests	**(0,0)**	0,0
Basic earnings per share (in euro)	**0,04**	0,00
Diluted earnings per share (in euro)	**0,03**	0,00

(1) restated in accordance with IAS 8 (see Note 2.1 to the consolidated financial statements)

The following notes are an integral part of the consolidated financial statements.

(M€)	March 31, 2017	March 31, 2016
GROUP CONSOLIDATED NET RESULT	**7,7**	(0,1)
Elements dirrectly incurred in net equity:		
Translation adjustments	0,4	(0,3)
Total result directly recognised in equity	0,4	(0,3)
GLOBAL RESULT	**8,1**	(0,4)
Of which: Group	8,1	(0,4)
Of which: Minority interests	(0,0)	0,0

CONSOLIDATED BALANCE SHEET

ASSETS (M€)	31.03.2017	31.03.2016 (1)
Intangible assets	**6,9**	5,0
Property, plant and equipment	**0,0**	0,0
Non-current financial assets	**3,0**	0,2
Deferred tax assets	**0,5**	0,5
Non-current assets	**10,5**	5,7
Inventories	**-**	-
Trade receivables	**7,3**	6,0
Current tax assets	**-**	-
Other current assets	**0,7**	0,7
Cash and cash equivalents	**1,1**	1,2
Assets held for sale	**0,4**	-
Current assets	**9,6**	7,9
Total assets	**20,0**	13,6

EQUITY & LIABILITIES (M€)	31.03.2017	31.03.2016 (1)
Capital stock	**2,3**	1,8
Share premium	**7,5**	407,5
Consolidated reserves	**(10,1)**	(419,8)
Net income (loss) Group share	**7,7**	(0,1)
Shareholders' equity	**7,4**	(10,6)
Minority interests	**0,0**	0,0
Total equity	**7,4**	(10,6)
Provisions for non-current contingencies and losses	**0,3**	0,1
Non-current financial liabilities	**2,0**	14,4
Deferred tax liabilities	**-**	-
Other non-current liabilities	**0,0**	0,1
Non-current liabilities	**2,3**	14,5
Provisions for current contingencies and losses	**0,4**	1,2
Current financial liabilities	**-**	0,2
Trade payables	**6,3**	4,8
Current tax liabilities	**0,0**	-
Other current liabilities	**3,6**	3,6
Current liabilities	**10,3**	9,7
Total equity and liabilities	**20,0**	13,6

(1) restated in accordance with IAS 8 (see Note 2.1 to the consolidated financial statements)

The following notes are an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOWS

(M€)	March 31, 2017	March 31, 2016
Net income (loss) for the year	**7,7**	(0,1)
Non cash expenses and revenue	**-**	-
Charges to (reversals of) depreciation, amortization and provisions for non current assets	**1,3**	1,6
Cost of (revenue from) stock options and related benefits	**0,3**	-
Losses (gains) on disposals of intangible assets and property, plant and equipment	**(0,0)**	-
Others	**(7,1)**	-
Cost of debt	**0,3**	0,8
Income taxes (deferred and current)	**-**	(0,5)
CASH FLOW BEFORE NET COST OF DEBT AND TAXES	**2,5**	1,7
Income taxes paid	**-**	0,6
Changes in working capital	**-**	-
Inventories	**-**	-
Trade receivables	**(1,4)**	(5,3)
Trade payables	**1,5**	0,2
Other current assets and liabilities	**0,5**	2,4
NET CASH USED IN OPERATING ACTIVITIES	**3,1**	(0,5)
Purchases of / additions to :	**-**	-
Intangible assets	**(3,9)**	(3,9)
Property, Plant & equipment	**(0,0)**	-
Non current financials assets	**(2,8)**	-
Disposals / repayments of :	**-**	-
Intangible assets	**-**	-
Property, Plant & equipment	**0,0**	-
Non current financials assets	**-**	-
NET CASH USED IN INVESTING ACTIVITIES	**(6,7)**	(3,9)
Net funds raised from :	**-**	-
Share issues	**7,9**	-
Issue of Oceane bonds	**3,2**	-
Changes in treasury shares	**1,1**	2,6
Net funds disbursed for :	**-**	-
Interest and other financial charges	**(0,2)**	(0,8)
Debt repayment	**(8,5)**	-
Other cash flows from financing activities	**0,0**	-
NET CASH PROVIDED (USED IN) BY FINANCING ACTIVITIES	**3,4**	1,9
Impact of changes in exchange rates	**0,1**	0,1
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(0,1)**	(2,5)

(M€)	March 31, 2017	March 31, 2016
Net opening cash balance	**1,2**	3,7
Net closing cash balance	**1,1**	1,2
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(0,1)**	(2,5)
Net closing cash balance	**-**	-
Cash and cash equivalents	**1,1**	1,2
Bank overdrafts (including current financial debts)	**-**	-

STATEMENT OF CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

(M€)	Capital	Share premium	Treasury shares	Consolidated reserves	Cumulative translation adjustments	Shareholders equity	Minority interests	Total equity
As at March 31, 2014	**0,5**	**277,3**	**(0,0)**	**(304,4)**	**(4,8)**	**(31,3)**	**0,0**	**(31,3)**
Net income (loss) for the period	-	-	-	1,2	-	1,2	(0,0)	**1,2**
Translation adjustments	-	-	-	-	1,0	1,0	(0,0)	**1,0**
Global Result	**-**	**-**	**-**	**1,2**	**1,0**	**2,2**	**(0,0)**	**2,1**
Share issues	-	-	-	0,0	-	0,0	0,0	**0,1**
Conversion Orane-Oceane	1,2	118,4	-	(93,8)	-	25,9		**25,9**
Treasury shares transactions	-	-	(6,7)	-	-	(6,7)		**(6,7)**
Profit/(Loss) on treasury shares transactions	-	-	-	(1,6)	-	(1,6)		**(1,6)**
Others changes	-	-	-	(1,6)	-	(1,6)	(0,0)	**(1,6)**
As at March 31, 2015	**1,7**	**395,8**	**(6,7)**	**(400,1)**	**(3,8)**	**(13,1)**	**0,0**	**(13,0)**
Net income (loss) for the period				0,3		0,3	0,0	**0,3**
Translation adjustments					(0,3)	(0,3)	(0,0)	**(0,3)**
Global Result				**0,3**	**(0,3)**	**(0,0)**	**0,0**	**(0,0)**
Share issues	-	-	-	-	-	-		**-**
Conversion Orane-Oceane	0,1	11,7	-	(13,6)	-	(1,8)		**(1,8)**
Treasury shares transactions	-	-	4,4	-	-	4,4		**4,4**
Profit/(Loss) on treasury shares transactions	-	-	-	0,3	-	0,3		**0,3**
Others changes	-	-	-	0,0	(0,0)	0,0		**0,0**
As at March 31, 2016	**1,8**	**407,5**	**(2,3)**	**(413,1)**	**(4,1)**	**(10,2)**	**0,0**	**(10,2)**
IAS 8 restatement				(0,4)		(0,4)		**(0,4)**
As at March 31, 2016 restated IAS 8	**1,8**	**407,5**	**(2,3)**	**(413,6)**	**(4,1)**	**(10,6)**	**0,0**	**(10,6)**
Net income (loss) for the period				7,7		7,7	(0,0)	**7,7**
Translation adjustments					0,4	0,4	(0,0)	**0,4**
Global Result				**7,7**	**0,4**	**8,1**	**(0,0)**	**8,1**
Share issues	0,5	7,5	-	-	-	8,0		**8,0**
Conversion Orane-Oceane	-	-	0,0	-	-	0,0		**0,0**
Treasury shares transactions	-	-	2,2	-	-	2,2		**2,2**
Profit/(Loss) on treasury shares transactions	-	-	-	(0,6)	-	(0,6)		**(0,6)**
Others changes	-	(407,5)	-	407,8	-	0,3		**0,3**
As at March 31, 2017	**2,3**	**7,5**	**(0,0)**	**1,3**	**(3,7)**	**7,4**	**0,0**	**7,4**

GROUP PRESENTATION

Atari (the "Company" or the "Group") is a French company whose securities are listed on the Euronext Paris market, compartment C (ISIN code: FR0010478248, ticker: ATA).

Atari (www.atari.com) is an interactive entertainment production company that manages an intellectual property portfolio focused on the Atari brand, Atari Classics games, intellectual property assets such as Alone in the Dark, and licenses such as RollerCoaster Tycoon. The company has 5 main development lines: video games, online casino games, multimedia production, connected objects, and its licensing activities.

The Company's business model is based on directly or indirectly monetizing its rights, in the broadest possible sense. Direct monetization includes revenue earned from game played on mobile, PC, online, console, or multimedia platforms. Such direct monetization also includes the final sale of rights under a regular arbitrage policy concerning the Company's intellectual property portfolio. Indirect monetization covers licensing agreements granted to third parties, who are then responsible for manufacturing and producing products or applications in exchange for royalties paid to Atari, under multi-year contracts. In general, any transaction concerning such rights, whatever their legal nature, is considered part of the Company's current business activity and contributes to its revenue and/or current operating income.

The corporate headquarters of the Company are located at 78 rue Taitbout, 75009 Paris (France).

NOTE 1— HIGHLIGHTS OF THE PERIOD

The highlights of the period were the following:

- **Alden Settlement and Alden Loan Repayment:**
  On July 12, 2016, the Atari Group entered into an agreement with Alden resulting in a total and definitive repayment of the Alden loan for a total, in principal plus accrued interest, of €12.5 million. The redemption price is €5.3 million, of which €4.5 million is paid in cash and the balance by surrender of 5 million shares. This transaction resulted in a gain of €7.1 million recorded in the consolidated financial statements as of March 31, 2017.

- **Capital Increases for €8.0 Million:**
  On July 12, 2016, the Atari Group launched a capital increase to participate, for up to €2.8 million, in the financing of amounts due under the agreement with Alden, and for up to €0.3 million euros in the financing of games.

  On October 28, 2016, the Atari Group launched a €2.5-million capital increase to finalize the Group's deleveraging following the agreement with Alden in the summer of 2016, and a €2.4-million capital increase to endow the Group with the means to finance its development.

- **Game Releases:**
  Release of Atari Vault (PC), Atari Flashback Classics on consoles, RollerCoaster Tycoon Classic (smartphone) in December 2016 and RollerCoaster Tycoon Touch (smartphone) at the end of February 2017.

- **Assignment of Rights:**
  Sale in December 2016 of future commercial rights to Test Drive Unlimited to Bigben for a price of €0.9 million.

- **Online Casinos and Miscellaneous:**
  Continued development initiatives, including a licensing agreement with Kizzang combining future royalties payable to Atari with an immediate payment through the reserved issue of free shares and stock options to Atari for €1.8 million.

- **Licensing Activities:**
  Good overall performance of licensing activities, particularly with leading technology companies or the Roam product license, combining future royalties with free warrants already issued in favor of Atari for €0.6 million.

- **Connected Objects:**
  Entered into a partnership with Sigfox, leading provider of a global communication service dedicated to the Internet of Things (IoT), for the development of new connected objects inspired by the Atari brand universe.

NOTE 2—ACCOUNTING RULES AND METHODS

2.1. GENERAL PRINCIPLES

Atari's consolidated financial statements have been prepared in accordance with IFRS (standards and interpretations) as adopted in the European Union and mandatory from April 1, 2015, with the exception of the new rules and interpretations whose application is not mandatory for the 2016/2017 financial year or that are applied early.

The accounting principles and valuation methods are the same as those used for the financial statements dated March 31, 2016, as presented in the Reference Document filed on August 4, 2016 under number D 16-0776.

The denomination currency of the consolidated financial statements and the notes thereto is the euro. The consolidated financial statements were approved by the Board of Directors of August 1, 2017. They will be submitted to the Annual General Shareholders' Meeting for approval.

Application of the Going Concern Principle

In recent years, the Group has significantly improved its financial position. Since the 2012/2013 financial year, the Group has implemented a program for massive deleveraging and replenishment of equity. As of March 31, 2017, the debt had almost been repaid in full and shareholder's equity had moved into positive territory. Thus:

- As of March 31, 2013, shareholders' equity (Group share) amounted to -€34.9 million. At the same date, net debt amounted to €31.4 million and the Group did not have drawdown capacity on its credit facility
- As of March 31, 2014, shareholders' equity (Group share) amounted to -€31.3 million. At the same date, the net debt amounted to €24.8 million.
- As of March 31, 2015, shareholders' equity (Group share) amounted to -€13.1 million. At the same date, the net debt amounted to €11.0 million.
- As of March 31, 2016, shareholders' equity (Group share) amounted to -€10.2 million. At the same date, the net debt amounted to €13.3 million.
- As of March 31, 2017, shareholders' equity (Group share) amounted to +€7.4 million. At the same date, the net debt amounted to €0.9 million.

For the 2017/2018 financial year, the Group favors growth, improved profitability, with seasonality similar to that of the 2016/2017 financial year, and cash generation.

As of March 31, 2017, the Alden loan totaling €12.5 million in principal plus accrued interest, is fully repaid as a result of the settlement agreement reached on July 12, 2016.

On July 12, 2016, the Atari Group reached an agreement with Alden resulting in a total and definitive repayment of the Alden Loan for €5.3 million, of €4.5 million was paid in cash (and financed as indicated below), and the balance of €0.8 million was paid by surrender to Alden of 5 million Atari shares.

As of March 31, 2016, this Alden loan was included in the accounts of Atari Europe, a wholly-owned subsidiary of Atari SA, for an amount of €12.5 million.

Atari disputed this amount, in particular on the basis of the existence of obvious and serious errors in the calculation of the Annual Percentage Rate ("APR") and the fact that it had not been informed of this APR. If this is the case, in accordance with the law and the applicable case law, the contractual interest rate must be replaced by the legal interest rate and any difference between the two rates, where the interest rate is higher than the legal interest rate, is deducted from the sums due to the creditor. This position held by Atari was supported by a legal analysis.

Atari' application filed with the court was, in addition to the cancellation of the loan, for the reimbursement to Atari of an overpayment of €4.1 million.

However, Atari preferred to enter into a settlement agreement with Alden on the above bases mainly for the following reasons:

- The legal risks in France, in particular the possible cancellation by the Paris Court of Appeal of the 2-year grace period obtained by Atari in the first instance and which would inevitably have led to the opening of bankruptcy proceedings, or the risk of legal proceedings becoming time barred
- The legal risks in the United States, as Alden had been granted a reopening of the Chapter 11 procedure limited to the examination of the pre-dispute arbitration clause and its possible application to the loan
- Significant attorneys' fees in both countries
- And finally, from a strategic and operational standpoint, the advantage of being able to immediately lift all the security interests, especially on the brand, and to free itself from a major uncertainty about the future of the Group which hindered the development of fruitful relationships with partners in the long term

With this agreement:

- The Atari Group has no further debt with Alden
- The security interests that encumbered the assets, including the brand, have been totally lifted
- This transaction resulted in a gain of €7.2 million recorded in the consolidated financial statements as of March 31, 2017
- All legal proceedings in France and the United States have definitely ended

Atari SA financed the cash portion of €4.5 million by issuing new shares to a third-party investor for €2 million, at a price of €0.17 euros per share, and by setting up a €2.5 million bridge loan bearing interest at 10% per annum with warrants at the same price as above for a total exercise price of €875,000. This loan was granted by Ker Ventures (holding company owned by Frédéric Chesnais) for €2.0 million and by HZ Investments (Alexandre Zyngier and HZ Investments hereinafter collectively referred to as "Alexandre Zyngier") for €0.5 million.

This €2.5 million loan was refinanced by way of a capital increase as described above.

Considering these elements, Atari SA closed the accounts as of March 31, 2017, retaining the principle of going concern.

The Company has carried out a specific review of its liquidity risk and considers that it is in a position to meet its future payments.

Preparation of the Financial Statements

The consolidated financial statements for the year have been prepared in accordance with:

- IFRS as adopted by the European Union. This standard is available on the website of the European Commission: http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission;
- IFRS as published by the IASB.

The new standards, amendments to existing standards, and interpretations that are mandatory for financial years beginning on or after January 1, 2016 did not have a significant impact on the Group's accounts and results of operations, namely: IFRS 14—Regulatory Deferral Accounts; amendments to IFRS 10, IFRS 12, IAS 28, IAS 27, IAS 1, IAS 16, IAS 38, IFRS 11, and IAS 41.

The Group has not chosen to apply in advance the standards and interpretations not yet adopted by the European Union for financial years beginning on or after 1 January 2016, namely: IFRS 9—Financial Instruments, IFRS 15—Revenue from Contracts with Customers, IFRS 16—Leases; amendments to IFRS 10, IAS 28, IAS 12, IAS 7, IFRS 2, and IFRS 4.

As concerns IFRS 9 and IFRS 15, the Group plans to apply these two new standards as of January 1, 2018. The potential impacts are still being analyzed and are not known to date.

Atari has recognized in its financial statements as of March 31, 2016 the revenue relating to several contracts with Steam key resale platforms after sending of the activation keys.

In order to comply with its income recognition policy, the Atari Group has decided to review these transactions and recognize the income at the time of sale to the end customer, subject to receipt of the reports and the corresponding payment by the platform. Revenue and gross margin as of March 31, 2016 were respectively €0.7 million and €0.6 million.

In addition, the Group did not recognize, in the accounts as of March 31, 2016, its share of the multimedia production credits where offsetting against royalties payable is permitted under the contract. Taking this transaction into account leads to the recognition of an additional profit of €0.2 million as of March 31, 2016.

In accordance with IAS 8, these adjustments are accounted for retrospectively in the financial statements by restatement of the initial balances of assets and liabilities, and by a decrease of initial shareholders' equity of €0.4 million.

The impacts of the application of IAS 8 with retroactive effect on the consolidated balance sheet as of March 31, 2016 are as follows:

- Decrease in trade accounts receivable by €0.7 million
- Decrease in trade accounts payable by €0.3 million
- With a corresponding a decrease in shareholders' equity (Group share) of €0.4 million.

The impacts of these corrections on the 2015/2016 consolidated income statement are as follows:

- Decrease in revenue be €0.7 million, from €12.6 million to €11.9 million
- Decrease in cost of sales by €0.3 million, from €2.1 million to €1.8 million
- As a result, the gross margin, like other levels of underlying results, decreased by €0.4 million.

This adjustment has no impact on the basic and diluted earnings per share of the periods presented.

Appropriate measures have been put in place to strengthen the reliability of the accounts as of the first half of the 2016-2017 financial year and to adjust the internal control systems accordingly.

These impacts have no impact on cash flow or disbursement flows; the amounts of cash flows generated by the business as of March 31, 2016 and March 31, 2017 presented in the consolidated cash flow statements are not modified.

2.2. CONSOLIDATION METHODS

Full Consolidation

All companies in which the Group exercises control, that is, in which it has the power to govern their financial and operating policies in order to obtain benefits from their activities, are fully consolidated.

Scope of Consolidation

No change in scope occurred during the year.

2.3. INTERNAL TRANSACTIONS

All transactions between the integrated companies and the internal results of the consolidated entity are eliminated.

2.4. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate prevailing on the transaction date. ON the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates prevailing at the balance sheet date. All differences are recorded in profit or loss for the period, except for differences on foreign currency borrowings that constitute a hedge of the net investment in a foreign entity. These are directly charged to equity until the outflow of the net investment.

Foreign exchange differences resulting from the translation of net investments in foreign subsidiaries are recognized directly in equity.

2.5. CONVERSION OF THE INDIVIDUAL FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

The operating currency of foreign affiliates is the local currency in effect.

Assets and liabilities of foreign subsidiaries are translated at the exchange rate recorded at the balance sheet date. The items in their income statement are translated at the average rate for the period. The resulting translation difference is recognized directly in shareholders' equity under "Translation differences," for the Group's share and the under "Minority Interests" for the portion attributable to third parties. This difference impacts the result only when the company is sold or removed from the scope of consolidation.

The exchange rates of the main currencies used by the Group are as follows:

	March 31,2017		March 31, 2016	
In euros	**Closing rate**	**Average rate**	**Closing rate**	**Average rate**
USD	**1,0691**	**1,0975**	1,1385	1,1036
GBP	**0,8555**	**0,8413**	0,7916	0,7323

2.6. NON-CURRENT ASSETS HELD FOR SALE & ACTIVITY NOT CONTINUED

A fixed asset, or a group of assets and liabilities, is held for sale when its book value will be recovered mainly through a sale and not through continued use. For this to be the case, the asset must be available for immediate sale and its sale must be highly likely. These assets or groups of assets are presented separately from other assets or groups of assets, under "Assets Held for Sale" on the balance sheet if they are significant. These assets or groups of assets are measured at the lower of either the book value or the estimated sale price, net of costs related to the disposal.

A discontinued operation is defined as a component of the undertaking that is either disposed of or classified as assets held for sale, which:

- Represents an activity or a geographical area that is significant for the Group
- IS part of an overall plan for the sale of a business or geographical area that is significant for the Group
- Or is a significant subsidiary acquired solely for the purpose of resale

The income and cash flow statement items relating to these discontinued operations are included in the consolidated financial statements for all periods presented.

2.7. USE OF ESTIMATES

Preparing the consolidated financial statements in accordance with the rules of IFRS requires the Group to make a certain number of estimates and to adopt certain assumptions that it considers reasonable and realistic. These estimates and assumptions affect the amount of assets and liabilities, shareholders' equity, profits, and the amount of contingent assets and liabilities, as presented as of the balance sheet date.

Estimates may be revised if the circumstances on which they were based change, or as a result of new information. Actual results may differ from these estimates and assumptions.

2.8. OTHER INTANGIBLE FIXED ASSETS

Intangible fixed assets mainly include items such as acquired management software and license rights, brands, and video game development fees.

Atari did not capitalize the financial interest incurred during the acquisition period of the intangible assets, as the impact was not significant on the Group's consolidated financial statements.

Licenses

Licenses for the right to use intellectual property are recognized as intangible fixed assets from the date of signature of the contract when no significant obligation is expected from the lessor; the capitalized amount corresponds to the discounted sum of the annual minimum fees stipulated in the contract. Amounts paid above guaranteed minimums are expensed.

These licenses are amortized from their execution date using the highest rate of either the contractual rate applied to the units sold or the linear rate based on the life of the license. The amortization expense is recorded in "Cost of Sales."

The Group regularly checks the recoverable amount of the amounts capitalized and conducts an impairment test, as described in paragraph 2.10, as soon as indicators of impairment appear. An impairment is, if necessary, recorded under "Cost of Sales" if the game to which this license is attached has been marketed, and under "Research and Development Expenses" if not.

Video Game Development Costs

In accordance with IAS 38, an intangible fixed asset resulting from development (or the development phase of an internal project) must be recognized if, and only if, an entity can demonstrate all of the following:

(a) That it is technically feasible to complete the intangible fixed asset for commissioning or sale.

(b) That it intends to complete the intangible fixed asset and commission or sell it.

(c) That it is able to commission the intangible fixed asset or sell it.

(d) The way the intangible fixed asset will generate probable future economic benefits. The entity shall demonstrate, among other things, that there is a market for the production resulting from the intangible fixed asset, or for the intangible fixed asset itself or, if it is to be used internally, that it is useful.

(e) That there are adequate technical, financial, and other resources available to fully develop and commission or sell the intangible fixed asset.

(f) That it is able to reliably estimate the expenditures attributable to the intangible fixed asset during its development.

The Group recognizes a charge for video game development costs (internal or external studio development expenses) if it considers that the project does not meet all of the above criteria.

As of March 31, 2017, there were various projects that met these criteria. At each closing, the Group assesses the future economic benefits it will receive from this asset by using the principles set out in IAS 36—Impairment of Assets. These assets are valued according to a minimum budget. If a deviation from this budget is noted, and depending of how significant this deviation is, the depreciation/amortization plan is accelerated or the asset is depreciated/amortized in full.

Development in progress costs are, in principle, amortized over 3 years on a straight-line basis from the marketing of the product; the engines, tools, and developments related to the information system are amortized over 5 years since the 2016/2017 financial year.

For certain products that are difficult to launch, depreciation/amortization over a shorter period is applied and the Group carries out an analysis of projected cash flows.

At the end of the financial year, the residual net book value is compared with the future sales prospects to which the terms of the contract are applied. If these sales prospects are not sufficient, a provision for additional impairment is recorded accordingly.

Other Intangible Fixed Assets

Other intangible assets include identifiable intangible assets arising from acquisitions (e.g., brands, game catalogs) and software acquired for internal use (e.g., accounting software). With the exception of brands, these fixed assets are amortized under “General and Administrative Expenses” or “Research and Development Expenses” on a straight-line basis over a period that cannot exceed their estimated useful lives (between 1 and 4 years).

2.9. TANGIBLE FIXED ASSETS

Tangible fixed assets are accounted for under the cost method at their acquisition value less depreciation and impairment. Depreciation is calculated using the straight-line method over the estimated useful life of the assets concerned. Improvements on rented property are depreciated over their estimated useful life or over the term of the lease if the latter is shorter. The term of the lease takes into account the possible renewal periods. Land is not depreciated. The estimated useful lives of the fixed assets are as follows:

- Computer equipment: 1 to 3 years
- Furniture and fixtures and other equipment: 3 to 10 years

2.10. IMPAIRMENT TEST

The Group regularly performs impairment tests on its assets: Goodwill, intangible fixed assets, and tangible fixed assets. For tangible fixed assets and intangible fixed assets with a fixed useful life, this impairment test is performed as soon as indicators of impairment are observable.

These tests consist of comparing the net book value of the assets with their recoverable value, which corresponds to the higher of either their fair value less sale costs or their value in use, estimated by the net present value of the future cash flows generated by their use.

When the fair value of an intangible fixed asset (excluding goodwill) or a tangible fixed asset is assessed during a financial year and the recoverable amount exceeds the book value of the asset, any impairment losses recognized in prior years are recorded in the result.

For goodwill and other intangible fixed assets with an undetermined useful life and intangible fixed assets in progress, an impairment test is systematically performed each year on the basis of the highest of the following values and each time an indicator of impairment is observed:

- Updated projection of future operating cash flows over 4 years and of a residual value
- Net selling price if there is an active market

When the selling price net of disposal costs cannot be determined reliably, the book value of the fixed assets is compared to the net present value of future cash flows excluding financial expenses but after tax.

The residual value results from the discounting to infinity of a normative cash flow determined on the basis of the cash flow of the last year of the business plan to which a long-term growth rate has been applied. The rate used to discount cash flows corresponds to the Group's average cost of capital.

In the event that the annual impairment test reveals a recoverable value that is lower than the net book value, an impairment is recognized to reduce the book value of the fixed assets or goodwill to their fair value.

Impairment losses recognized on goodwill are never recorded in the result.

2.11. OTHER NON-CURRENT FINANCIAL ASSETS

Other financial assets consist of securities of non-consolidated companies, investments in related companies, derivative instruments not designated as hedges, deposits, and loans.

Treasury shares held by the parent company or one of its integrated subsidiaries are presented as a deduction from consolidated shareholders' equity at their acquisition value or their entry value in the consolidated balance sheet. Gains or losses realized on the sale of these shares are eliminated from the consolidated income statement and charged to consolidated shareholders' equity.

Available-for-sale assets are measured at fair value and changes in fair value are recognized in "Other comprehensive income" until the asset is sold, cashed, or otherwise disposed of or until it is demonstrated that the asset has lost value in a prolonged or significant manner. In these cases, the profit or loss previously recorded in "Other comprehensive income" is transferred to the profit or loss.

Derivative instruments not designated as hedges are initially recorded at fair value; attributable transaction costs are recognized in profit or loss when incurred. After initial recognition, derivatives are measured at fair value and the resulting changes are recognized in profit or loss for the period.

2.12. INVENTORY

When inventories are recognized, they are valued using the FIFO (first in, first out) method. Their gross value includes the purchase price plus incidental purchase costs. Financial expenses are excluded from the value of inventories. A provision for depreciation/amortization is recognized in order to reduce the value of inventories to their net realizable value when their probable market value is lower than their cost price. This depreciation/amortization is recorded under "Cost of Sales" in the consolidated income statement.

2.13. TRADE RECEIVABLES

Trade receivables are recorded at their fair value, which generally corresponds to their nominal value. Loans considered doubtful are subject to provisions for impairment determined according to their risk of non-recovery.

Under IAS 39, trade receivables collection programs are not deconsolidated and are therefore maintained in receivables and short-term indebtedness when the risks and rewards of trade receivables are not transferred in substance to financing institutions.

2.14. CASH

In accordance with IAS 7—Statement of Cash Flows, the cash and cash equivalents shown in the consolidated cash flow statement include cash (cash on hand and demand deposits) and cash equivalents (highly liquid, short-term investments that are easily convertible into a known amount of cash and which are subject to a negligible risk of change in value).

Investments with an original maturity of more than three months with no early exit option are excluded from cash and cash equivalents.

2.15. SHARE-BASED PAYMENTS

The Group makes share-based payments, paid in equity instruments in the form of stock options or free share awards.

Share-based payments, paid in equity instruments, are measured at fair value at the award date (excluding non-market conditions). The recognized cumulative expense is based on the fair value at the award date and the estimated number of shares that will ultimately be vested (taking into account the effect of non-market vesting conditions). It is recorded, throughout the vesting period, in current operating income with a direct contra entry in equity.

The fair value of the stock options is determined using the Black-Scholes model. This model makes it possible to take into account the characteristics of the plan (exercise price, exercise period), market data at the time of allocation (risk-free rate, stock price, volatility, expected dividends) and a behavioral assumption of the beneficiaries.

2.16. MINORITY INTERESTS

In the consolidated statement of financial position in equity, non-controlling shareholdings must be presented separately from the interest of the parent company’s owners. Comprehensive net income must be attributed to the owners of the parent company and to non-controlling interests, even if this results in a deficit balance for non-controlling interests.

2.17. PROVISIONS

A provision is recorded when there is an obligation (legal or implicit) towards a third party, resulting from past events, the measurement of which can be reliably estimated and which will probably result in an outflow of resources in favor of this third party without at least equivalent compensation expected from it. If the amount or timing cannot be reliably estimated then it is a contingent liability that is an off–balance sheet commitment.

2.18. PROVISIONS FOR RETIREMENT AND SIMILAR BENEFITS

Defined Contribution Plans

In accordance with the laws and practices in force in each country, the Group's subsidiaries take on commitments related to pension plans, life and disability insurance plans, the coverage of active employees' medical expenses and other plans concerning social benefits In the case of commitments taken on exclusively under a defined contribution plan, the Group recognizes the related expenses as and when the contributions are due.

The Group recognizes the contributions to be paid as an expense under operating costs, when they are incurred, depending on the beneficiaries of the plan.

Defined Benefit Plans

Estimates of the Group's defined retirement benefit obligations are calculated annually, in accordance with IAS 19R, using the projected unit credit method. This method takes into account, based on actuarial assumptions, the probable duration of the employee's future service, future compensation level, life expectancy, discount rate, and the personnel turnover rate.

The amount provisioned for retirement and similar obligations corresponds to the present value of the defined benefit obligation. The actuarial gains and losses resulting from the change in the value of the discounted defined benefit obligation include, on the one hand, the effects of the differences between the previous actuarial assumptions and the realized actuarial assumptions, and, on the other hand, the effects of changes in actuarial assumptions. Actuarial gains and losses are fully recognized in equity.

2.19. FINANCIAL LIABILITIES AND INSTRUMENTS

Financial liabilities include bonds and other borrowings, finance lease debts, and trade accounts payable.

Bond Debts and Other Borrowings

Bond and other interest-bearing borrowings are initially recognized at fair value of the consideration received, which is the cost, net of expenses directly attributable to the issuance of the debt. These financial liabilities are then measured at amortized cost using the effective interest method. This interest rate corresponds to the internal rate of return that allows discounting the series of expected cash flows over the life of the loan.

Trade Accounts Payable

Trade accounts payable are initially recognized at fair value, which in most cases corresponds to their nominal value, and subsequently measured at amortized cost.

2.20. REVENUE RECOGNITION - REVENUE FROM ORDINARY ACTIVITIES

With regard to the provisions of IAS 18 - Revenue, recognition of net income takes into account (as a deduction):

- Some commercial incentives such as commercial cooperation fees
- Certain discounts granted for advance payments.

Revenue from Physical Games Software

It is recognized at the date of delivery of the products to customers, with a provision recorded as a reduction in sales for estimated returns for the net amount of the sale.

Revenue from Online, Mobiles, and Social Games

Atari derives its revenue from the sale of online games, and games on smartphones and tablets using Apple's iOS App Store, Google's Android, Facebook. The Group records its revenue by reporting to the relevant month the revenue reported by distributors or agents for the same period.

For each contract entered into, Atari examines the characteristics in order to determine whether it is appropriate to recognize the gross or net revenue of the services rendered by platforms such as Steam or Apple:

- Liability in the transaction
- Storage risk
- Freedom to determine the price
- Determination of the specifications of the product
- Credit risk

On the basis of these criteria, and in accordance with IAS 18, all revenue is measured at the fair value of the consideration received or receivable, net of VAT and other taxes and net of distribution costs.

License Sales

Under certain licensing agreements, licensees are allowed to make copies of the game software in exchange for a guaranteed minimum fee. This fee is recognized as revenue on the date of delivery of the original copy or first copy of the software, or when the Atari Group has fulfilled all its obligations under the said agreement, which may occur at the signing of the contract or at a later date (e.g., when Atari delivers certain source codes). Supplemental income from sales exceeding the number of copies covered by the guaranteed minimum royalty is recognized as and when sales are made and reported by the licensor.

2.21. RESEARCH AND DEVELOPMENT EXPENSES

Games research and development expenses are capitalized in the balance sheet when the criteria provided for in IAS 38 are met:

1) That it is technically feasible to complete the intangible fixed asset for commissioning or sale.

1) That the company intends to complete the intangible fixed asset and commission or sell it.

3) That the company is able to commission the intangible fixed asset or sell it.

4) That this intangible fixed asset can generate future economic benefits.

5) That the company has adequate technical, financial, and other resources available to fully develop and commission or sell the intangible fixed asset.

6) That the company is able to reliably estimate the expenditures attributable to the intangible fixed asset during its development.

Research and development expenses that do not meet these criteria are recognized as expenses in the year in which they are incurred.

In addition, the Group has benefited in previous years and will continue to benefit indirectly from research tax credits, particularly in France or Canada (Province of Quebec), which are part of the current video game business. In accordance with IAS 20, these credits, when recognized, are recorded as a reduction of research and development expenses. Given the multi-year nature of investment cycles and their recurring nature, these credits are recognized when their the relevant bodies approve them. These tax assets may therefore relate to expenses incurred in previous years.

2.22. MARKETING AND SALES EXPENSES

Advertising and user acquisition costs for mobile and online games are expensed as and when they are incurred and included in the "Marketing and Sales Expenses" item of the consolidated income statement.

2.23. CURRENT OPERATING INCOME AND OPERATING INCOME

Current operating income is comprised of gross margin less current operating expenses. Current operating expenses include research and development costs, marketing and sales expenses, general and administrative expenses, and share-based payment costs.

Operating income corresponds to current operating income after taking into account:

- Gains and losses on disposals of assets other than intellectual property rights
- Restructuring
- Impairment on goodwill or negative goodwill
- Disputes or very unusual events.

2.24. FINANCIAL INCOME AND EXPENSES

Cost of Debt

Net financial debt consists of all current and non-current financial borrowings and debts, less cash and cash equivalents. The cost of debt is comprised of expenses and income generated by the components of net financial debt during the period, including related net income from interest rate and currency hedging. The net cost of debt includes the following items, among others:

- Interest expense and income on consolidated net debt, consisting of bonds, the debt portion of hybrid instruments, other financial liabilities (including debt on finance leases) and cash and cash equivalents
- Other fees paid to banks on financial transactions

Other Financial Income and Expenses

The item "Other Financial Income and Expenses" includes the following items:

- Dividends received from non-consolidated shareholdings
- The effect of discounting provisions
- Foreign exchange net income

2.25. TAXES

Since July 1, 1995, Atari SA has opted for the tax integration regime under the Group made up of the Company and its French subsidiaries. As of March 31, 2017, the Groups deferrable tax losses amounted to €733 million.

In France, deferred tax assets on unrealized tax losses stand at €245 million as of March 31, 2017, subject to the usual restrictions on their use, or approximately €1.08 per existing share as of March 31, 2017, excluding treasury shares. As of that same date, the consolidated taxable income for French companies amounts to nearly €1.1 million before deduction of the deferred tax loss. Such deduction of the deferred loss from taxable income as of March 31, 2017 resulted in tax savings of around €0.3 million.

In the United States, tax authorities have confirmed almost $655 million in deferrable tax loses representing potential tax savings of US $200 million, subject to the usual restrictions on their use, or approximately $0.88 per existing share as of March 31, 2017, excluding treasury shares.

In France, tax losses can be carried forward for an unlimited period up to an amount of €1 million plus 50% of the taxable profit. In the United States, there is no limit to the amount that can be carried forward, but only for a period of 20 years. The table below presents the main expiration dates for unrealized tax losses in the US:

(In M US$)	Maturity March 2020	Maturity March 2025	Maturity March 2030	Maturity March 2033	Total
Defeerd tax losses	344	107	117	88	657

In view of these profit forecasts for the current and the next two financial years, the Group maintains a deferred tax asset of €0.5 million on the balance sheet. Deferred tax assets not recognized on other temporary differences are not significant.

2.26. EARNINGS PER SHARE

The Group presents basic earnings per share and diluted earnings per share.

Earnings per share correspond to the net income of the Group compared to the weighted average number of shares outstanding during the financial year, fewer treasury shares, if any.

Diluted earnings per share are calculated by dividing the restated Group share of earnings by the weighted average number of common shares outstanding plus all potential dilutive common shares. Potential dilutive common stock includes stock options or warrants, free shares and bonds convertible into shares and bonds repayable by shares issued by the Group.

NOTE 3—GOODWILL

Goodwill acquired in accordance with IAS 21 and generated in a group of companies is allocated as of the acquisition by the corresponding Cash Generating Units (CGUs).

The continuous business activity generates cash inflows that are largely independent of cash inflows from other assets or groups of assets. The company has not recognized any goodwill.

NOTE 4—INTANGIBLE FIXED ASSETS

As of March 31, 2017, intangible fixed assets break down as follows:

Gross value (M€)	Developments in progress	Licenses	Total
March 31, 2015	**2,7**	**0,1**	**2,8**
Acquisitions	3,9	0,0	3,9
Disposals / Decrease	(0,1)	-	(0,1)
Other changes	(0,1)	(0,0)	(0,2)
March 31, 2016	**6,3**	**0,1**	**6,5**
Acquisitions	3,9	0,0	3,9
Disposals / Decrease	(0,4)		(0,4)
Other changes	0,4	0,0	0,4
March 31, 2017	**10,2**	**0,2**	**10,4**

Amortization & provisions for impairment value (M€)	Developments in progress	Licenses	Total
March 31, 2015	**-**	**-**	**-**
Charges to amortization	(1,5)	(0,0)	(1,5)
Disposals / Decrease			-
Other changes			-
March 31, 2016	**(1,5)**	**(0,0)**	**(1,5)**
Charges to amortization	(1,8)	(0,0)	(1,9)
Disposals / Decrease			-
Other changes	(0,1)	(0,0)	(0,1)
March 31, 2017	**(3,4)**	**(0,0)**	**(3,5)**

Net value (M€)	Developments in progress	Licenses	Total
March 31, 2016	**4,8**	**0,1**	**5,0**
March 31, 2017	**6,8**	**0,2**	**6,9**

Developments In Progress

In accordance with IAS 38, an intangible fixed asset resulting from development (or the development phase of an internal project) must be recognized if, and only if, an entity can demonstrate all of the following:

(a) That it is technically feasible to complete the intangible fixed asset for commissioning or sale.

(b) That it intends to complete the intangible fixed asset and commission or sell it.

(c) That it is able to commission the intangible fixed asset or sell it.

(d) The way the intangible fixed asset will generate probable future economic benefits. The entity shall demonstrate, among other things, that there is a market for the production resulting from the intangible fixed asset, or for the intangible fixed asset itself or, if it is to be used internally, that it is useful.

(e) That there are adequate technical, financial, and other resources available to fully develop and commission or sell the intangible fixed asset.

(f) That it is able to reliably estimate the expenditures attributable to the intangible fixed asset during its development.

The Group recognizes a charge for video game development costs (internal or external studio development expenses) if it considers that the project does not meet all of the above criteria.

As of March 31, 2017, there were various projects that met these criteria. At each closing, the Group assesses the future economic benefits it will receive from this asset by using the principles set out in IAS 36—Impairment of Assets. These assets are valued according to a minimum budget. If a deviation from this budget is noted, and depending of how significant this deviation is, the depreciation/amortization plan is accelerated or the asset is depreciated/amortized in full.

Development in progress costs are, in principle, amortized over 3 years on a straight-line basis from the marketing of the product; the engines, tools, and developments related to the information system are amortized over 5 years.

For certain products that are difficult to launch, depreciation/amortization over a shorter period is applied and the Group carries out an analysis of projected cash flows.

At the end of the financial year, the residual net book value is compared with the future sales prospects to which the terms of the contract are applied. If these sales prospects are not sufficient, a provision for additional impairment is recorded accordingly.

Licenses

Licenses are rights acquired from third-party publishers.

At the end of the financial year, the residual net book value is compared with the future sales prospects to which the terms of the contract are applied. If these sales prospects are not sufficient, a provision for additional impairment is recorded accordingly.

NOTE 5—TANGIBLE FIXED ASSETS

As of March 31, 2017, and March 31, 2016, the net value of these fixed assets is nil.

NOTE 6—NON CURRENT FINANCIAL ASSETS

Non-current financial assets break down as follows as of March 31, 2017:

(M€)	March 31, 2017	March 31, 2016
Assets held for sale	**2,0**	-
Unhedged derivatives	**0,7**	-
Other financial assets	**0,2**	0,2
Non-current financial assets	**3,0**	0,2

Available-for-sale assets are measured at fair value and changes in fair value are recognized in “Other comprehensive income” until the asset is sold, cashed, or otherwise disposed of or until it is demonstrated that the asset has lost value in a prolonged or significant manner. In these cases, the profit or loss previously recorded in “Other comprehensive income” is transferred to the profit or loss.

Derivative instruments not designated as hedges are initially recorded at fair value; attributable transaction costs are recognized in profit or loss when incurred. After initial recognition, derivatives are measured at fair value and the resulting changes are recognized in profit or loss for the period.

Under licensing agreements entered into during the first half of the 2016-2017 financial year, Atari received compensation in financial instruments:

- With Roam, an innovative company specializing in audio accessories. Atari received Roam stock warrants recorded for €0.6 million in non-hedging derivatives. Atari has also acquired an additional 10% stock subscription option exercisable, for 10 years and based on a valuation of $20 million, at Atari's sole discretion and at any time, particularly in the event of a change of control of Roam.
- With Kizzang, a company that offers a new model of online casino games offering jackpots in real money without a down payment. Atari received Kizzang shares recorded for €1.9 million in available-for-sale assets and Kizzage stock purchase options recorded for €0.1 million in non-hedging derivatives.

NOTE 7—INVENTORIES

As of March 31, 2017, and March 31, 2016, the Group does not hold any inventory.

NOTE 8—TRADE RECEIVABLES

As of March 31, 2017, and March 31, 2016, the balance of trade receivables corresponds to receivables from distributors, collected with a delay of 30 to 60 days, to which receivables relating to online casino licenses are added.

The "Trade receivables", after deducting sales returns and other future trade discounts, is analyzed as follows:

(M€)	**March 31, 2017**	March 31, 2016
Trade receivables Distributors	**5,9**	3,7
Trade receivables Licensing	**2,2**	2,3
Provisions for impairment in value	**(0,8)**	-
Trade receivables net value	**7,3**	6,0

Loans considered doubtful are subject to provisions for impairment determined according to their risk of non-recovery.

NOTE 9—OTHER CURRENT ASSETS

Other assets break down as follows:

(M€)	**March 31, 2017**	March 31, 2016
Receivables from employees	**0,0**	-
Prepaid and recoverable taxes	**0,3**	0,5
Prepaid expenses	**0,2**	0,2
Other	**0,1**	0,0
Other current assets	**0,7**	0,7

Tax receivables essentially correspond to VAT receivables.

Prepaid expenses correspond to operating expenses related to the following year.

NOTE 10—CASH AND CASH EQUIVALENTS

The cash and cash equivalents shown in the consolidated cash flow statement include (i) cash (cash on hand and demand deposits) for €1.1 million and (ii) cash equivalents (highly liquid, short-term investments that are easily convertible into a known amount of cash and which are subject to a negligible risk of change in value) measure at the market value at the balance sheet date.

(M€)	31.03.2017	31.03.2016
Cash (Cash on hand and demand deposits)	**1,1**	1,2
Cash equivalents (Highly liquid, short-term investments)	**-**	-
Cash and cah equivalents	**1,1**	1,2

NOTE 11—SHAREHOLDERS' EQUITY

11.1 CAPITAL

Common Shares

As of March 31, 2016, shareholders' equity was made up of 183.185.574 fully paid-up common shares with a par value of €0.01.

As of March 31, 2017, shareholders' equity is made up of 230,408,755 fully paid-up common shares with a par value of €0.01.

All shares are of the same class and may be held, at the option of the holder, in the form of Identifiable Bearer Securities (*Titres au Porteur Identifiable*, TPI) or registered shares. Each share entitles the holder to one vote on each of the resolutions submitted to the shareholders. A double voting right is attached to all the existing paid-up shares held by the same shareholder for a minimum of two years, as well as to any shares subsequently acquired by the same shareholder through the exercise of the rights attached to these registered shares.

Changes over the current and prior financial year are as follows:

(M€)	March 31, 2017	March 31, 2016
Shares outstanding at the the beginning of the period	**183 185 574**	170 813 236
Share issues	**47 223 181**	-
Conversion of ORANE convertible bonds	**-**	12 372 338
Conversion of OCEANE convertible bonds	**-**	
Shares outstanding at the the end of the period	**230 408 755**	183 185 574

Capital Increases for €8.0 Million:

On July 12, 2016, the Atari Group launched a capital increase to participate, for up to €2.8 million, in the financing of amounts due under the agreement with Alden, and for up to €0.3 million euros in the financing of games.

On October 28, 2016, the Atari Group launched a €2.5-million capital increase to finalize the Group's deleveraging following the agreement with Alden in the summer of 2016, and a €2.4-million capital increase to endow the Group with the means to finance its development.

Dividends

The Board of Directors may propose the distribution of dividends to the shareholders of the Company up to full amount profit and distributable reserves of the company. These distributions are made upon the decision of the shareholders of the Company meeting at a General Meeting. The Group has not made dividend payments for the past three years.

11.2 TREASURY SHARES

As of March 31, 2017, the Company held a total of 2,280,359 treasury shares (0.99% of the share capital). California US Holdings held in addition 1,585,135 shares (0.69% of the share capital).

11.3. ATARI SA STOCK OPTION PLAN

The Board of Directors' meeting of May 13, 2014 proposed to award options to subscribe or purchase common shares of the Company to the executives, directors, and certain employees of the Group for a total not exceeding the amount set out in Article L 225-182 of the French Commercial Code; the exercise price of these options may not be less than 95% of the average price of the common shares of the Company during the 20 trading days immediately preceding the date on which the options were awarded. These options are acquired annually by third parties by their beneficiaries under certain conditions and can be exercised for a maximum period of 8 years. The General Shareholders' Meeting held on September 30, 2014 approved in its 14th resolution this award within the limit of 10% of the share capital for a period of 38 months from the date of said meeting.

As of March 31, 2016, 5,625,472 stock options had been awarded.

During the year, 2,378,528 stock options were awarded.

NOTE 12—PROVISIONS FOR CONTINGENCIES AND LOSSES - CURRENT / NON-CURRENT

As of March 31, 2017, provisions for miscellaneous litigation, already present as of March 31, 2016, were maintained. An additional provision of €0.3 million was set aside to deal with a potential dispute.

NOTE 13—DEBT

13.1 DEBT ANALYSIS BY TYPE

The Group's financial debt can be presented as follows:

(M€)	Océanes 2003 - 2020	Océanes 2015 - 2020	Oranes	Alden Loan	Total
Current			0,2		0,2
Non-current	0,6	1,3	-	12,5	14,4
Debt as at March 31, 2016	**0,6**	**1,3**	**0,2**	**12,5**	**14,5**
New borrowings				0,0	0,0
Repayments		(0,0)			(0,0)
Change in accrued interest payable		0,1	(0,2)	(12,5)	(12,5)
Debt as at March 31, 2017	**0,6**	**1,4**	**-**	**-**	**2,0**
Current			-	-	-
Non-current	0,6	1,4	-	-	2,0
Debt as at March 31, 2017	**0,6**	**1,4**	**-**	**-**	**2,0**

2003-2009 OCEANE BONDS, NOW THE 2003-2020 OCEANE BONDS

On December 23, 2003, the Company issued 16,487,489 bonds convertible into or exchangeable for new or existing shares (hereinafter, the "2003-2020 OCEANE Bonds") with a par value of €7, amounting to €124.30 million in principal. These bonds, which initially matured on April 1, 2009, bore interest at 4% per annum. Each bond could initially be converted into an Atari share.

On September 29, 2006, the General Meeting of the holders of 2003-2009 OCEANE Bonds amended these OCEANE bonds as follows:

- Change of the maturity date from April 1, 2009 to April 1, 2020
- Loss by holders of OCEANE bonds as from April 1, 2009 of the option to convert and/or exchange their debt securities into/for new or existing Atari shares
- Change in the nominal interest rate from the initial 4% to 0.1%
- Deletion of Article 2.5.10 of the issuance agreement entitled "Early Repayment of 2020 OCEANE Bonds in the Event of Default"

Since April 1, 2009, the holders of 2003-2020 OCEANE Bonds may no longer subscribe for, exchange, or buy Atari shares. The 2003-2020 OCEANE Bonds no longer have a dilutive effect on the share capital of the Company from that date.

As of March 31, 2017, 82,906 2003-2020 OCEANE Bonds remain outstanding.

2015-2020 OCEANE Bonds (ISIN FR0012395663)

In February 2015, the Company issued 14,213,455 bonds convertible into or exchangeable for new or existing shares (hereinafter, the "2020 OCEANE Bonds") with a par value of €0.35, amounting to €4.97 million in principal. These are bullet bonds that bear interest at a rate of 7.5% per annum. Each bond can be converted into an Atari share. This issue was the subject of a prospectus that received AMF registration number 15-035 on January 23, 2015.

As of March 31, 2017, 3,323,916 2015-2020 OCEANE Bonds were outstanding. If all the bonds were submitted for conversion, this would result in the issue of 3,353,771 new shares with a dilutive effect on the Company's share capital of 1.46 % as of March 31, 2017.

ALDEN LOAN

As of March 31, 2017, the Alden loan totaling €12.5 million in principal plus accrued interest, is fully repaid as a result of the settlement agreement reached on July 12, 2016.

On July 12, 2016, the Atari Group reached an agreement with Alden resulting in a total and definitive repayment of the Alden Loan for €5.3 million, of €4.5 million was paid in cash (and financed as indicated below), and the balance of €0.8 million was paid by surrender to Alden of 5 million Atari shares.

This Alden loan was included in the financial statements as of March 31, 2016 for €12.5 million.

Atari disputed this amount, in particular on the basis of the existence of obvious and serious errors in the calculation of the Annual Percentage Rate ("APR") and the fact that it had not been informed of this APR. If this is the case, in accordance with the law and the applicable case law, the contractual interest rate must be replaced by the legal interest rate and any difference between the two rates, where the interest rate is higher than the legal interest rate, is deducted from the sums due to the creditor. This position held by Atari was supported by a legal analysis.

Atari' application filed with the court was, in addition to the cancellation of the loan, for the reimbursement to Atari of an overpayment of €4.1 million.

However, Atari preferred to enter into a settlement agreement with Alden on the above bases mainly for the following reasons:

- The legal risks in France, in particular the possible cancellation by the Paris Court of Appeal of the 2-year grace period obtained by Atari in the first instance and which would inevitably have led to the opening of bankruptcy proceedings, or the risk of legal proceedings becoming time barred
- The legal risks in the United States, as Alden had been granted a reopening of the Chapter 11 procedure limited to the examination of the pre-dispute arbitration clause and its possible application to the loan

- Significant attorneys' fees in both countries
- And finally, from a strategic and operational standpoint, the advantage of being able to immediately lift all the security interests, especially on the brand, and to free itself from a major uncertainty about the future of the Group which hindered the development of fruitful relationships with partners in the long term

With this agreement:

- The Atari Group has no further debt with Alden
- The security interests that encumbered the assets, including the brand, have been totally lifted
- This transaction resulted in a gain of €7.2 million recorded in the consolidated financial statements as of March 31, 2017
- All legal proceedings in France and the United States have definitely ended

Atari SA financed the cash portion of €4.5 million by issuing new shares to a third-party investor for €2 million, at a price of €0.17 euros per share, and by setting up a €2.5 million bridge loan bearing interest at 10% per annum with warrants at the same price as above for a total exercise price of €875,000. This loan was granted by Ker Ventures (holding company owned by Frédéric Chesnais) for €2.0 million and by Alexandre Zyngier, director, for €0.5 million.

This €2.5 million loan was refinanced by way of a capital increase as described above.

13.2 DEBT BY MATURITY

Group debt by maturity is as follows:

(M€)	31.03.2017	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2020
OCEANEs 2003-2020	**(0,6)**	**-**	**-**	(0,6)
OCEANEs 2015-2020	**(1,4)**	**-**	**-**	(1,4)
Total Financial liabilities	**(2,0)**	-	-	(2,0)

13.3 DEBT ANALYSIS BY INTEREST RATE (FIXED - FLOATING)

As of March 31, 2017, debt liabilities consist solely of bond issues.

As of March 31, 2016, the variable rate component of debt amounted to €12.5 million and related to the Alden loan.

(M€)	March 31, 2017	March 31, 2016
At variable rate	**-**	12,5
At fixed rate	**2,0**	2,1
Total	**2,0**	14,5

NOTE 14—OTHER LIABILITIES—CURRENT/NON-CURRENT

Other liabilities break down as follows:

(M€)	March 31, 2017	March 31, 2016
Other non-current liabilities	0,0	0,1
Other non-current liabilities	**0,0**	**0,1**
Trade payables	6,3	4,8
Tax liabilities	-	-
Other	3,6	3,6
Other current liabilities	**9,9**	**8,4**

NOTE 15— SEGMENT INFORMATION - REVENUE

IFRS 8 defines an operating segment as a component of an entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity)
- whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and
- for which discrete financial information is available

Management considers that analyzing its revenue by geographic area or by platform is not relevant to or indicative of its operating activity. Similarly, the segment information concerning the Group's assets and liabilities is no longer used by management as an analytical tool, and there is, therefore, no reason to present this information.

As of March 31, 2017, Atari achieved a consolidated revenue of €15.4 million, compared to €11.9 million for the last financial year—a growth of 29.2% at the current exchange rate and 28.6% at a constant exchange rate. The total figure is made up mainly of revenue from two games, the RollerCoaster Tycoon Touch released in late February 2017 and Atari Vault for PC released in March 2016, as well as casino activities. These products represent more than 50% of the Atari Group's revenue for the financial year. The entire catalog and licensing activities contributed significantly to the growth in revenue, particularly with leading technology companies, combining royalty payments with free warrants.

NOTE 16—RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses are analyzed as follows:

(M€)	March 31, 2017	March 31, 2016
R&D expenditures	5,8	5,5
R&D capitalized	(3,8)	(3,8)
Amortization	1,8	1,6
Research and development expenses	**3,8**	**3,3**

NOTE 17—OTHEROPERATING INCOME AND EXPENSES

As of March 31, 2017, other operating income and expenses amounted to +€0.3 million and correspond to the net proceeds from the sale of the future rights to the Test Drive Unlimited license, less operating management expenses.

NOTE 18—RESTRUCTURING COSTS

As of March 31, 2017, as in the previous year, no restructuring costs were recorded.

NOTE 19—OTHER INCOME AND EXPENSES

Other operating income and expenses amounted, on a net basis, to €6.6 million and included a €7.1 million gain on the acquisition of the redemption of the Alden loan.

NOTE 20—PERSONNEL COSTS

Personnel costs of continuing operations break down as follows:

(M€)	March 31, 2017	March 31, 2016
Wages and salaries	**(2,1)**	(2,3)
Social security contributions	**(0,8)**	(0,6)
Personnel costs	**(2,9)**	**(2,9)**

Personnel costs are allocated by use on the different lines of the consolidated income statement.

The Group's workforce at the end of the financial year is 18, compared to 14 at the end of the previous financial year.

NOTE 21—NET FINANCIAL INCOME (EXPENSES)

(M€)	March 31, 2017	March 31, 2016
Interest on bond debt	**(0,1)**	(0,4)
Interest Alden loan	**(0,0)**	(0,4)
Interest on Alden Loan Repayment Loans	**(0,4)**	
Other	**(0,2)**	0,0
Cost of debt	**(0,8)**	(0,8)
Foreign exchange result	**(0,0)**	0,1
Financial income	**0,0**	-
Financial expenses	**-**	-
Other	**-**	0,0
Other financial income (expense)	**(0,0)**	0,1
Net financial income (expense)	**(0,8)**	(0,8)

The cost of debt amounted to €0.8 million as in the previous financial year. It corresponds in particular to the last payments on the Alden loan redeemed in July 2016 and to the financing of this redemption.

As of April 1, 2017, financial expenses will only be those related to the 2020 Océane Bods, i.e., less than €0.1 million per year. Other financial income and expenses for the 2016/2017 financial year are not significant and mainly concern exchange gains and losses.

NOTE 22—INCOME TAX

22.1. ANALYSIS OF THE TAX CHARGE

Given its results and deferred tax loss, the Group recorded a tax expense of €14,000 for the period ended March 31, 2017.

22.2. ANALYSIS OF DIFFERENT TAXES

Since July 1, 1995, Atari SA has opted for the tax integration regime under the Group made up of the Company and its French subsidiaries. As of March 31, 2017, the Groups deferrable tax losses amounted to €733 million.

In France, deferred tax assets on unrealized tax losses stand at €245 million as of March 31, 2017, subject to the usual restrictions on their use, or approximately €1.08 per existing share as of March 31, 2017, excluding treasury shares. As of that same date, the consolidated taxable income for French companies amounts to nearly €1.1 million before deduction of the deferred tax loss. Such deduction of the deferred loss from taxable income as of March 31, 2017 resulted in tax savings of around €0.3 million.

In the United States, tax authorities have confirmed almost $655 million in deferrable tax loses representing potential tax savings of US $200 million, subject to the usual restrictions on their use, or approximately $0.88 per existing share as of March 31, 2017, excluding treasury shares.

In France, tax losses can be carried forward for an unlimited period up to an amount of €1 million plus 50% of the taxable profit. In the United States, there is no limit to the amount that can be carried forward, but only for a period of 20 years. The table below presents the main expiration dates for unrealized tax losses in the US:

(In M US$)	Maturity March 2020	Maturity March 2025	Maturity March 2030	Maturity March 2033	Total
Defeerd tax losses	344	107	117	88	657

In view of these profit forecasts for the current and the next two financial years, the Group maintains a deferred tax asset of €0.5 million on the balance sheet. Deferred tax assets not recognized on other temporary differences are not significant.

NOTE 23—DISCONTINUED ACTIVITIES

23.1. NET INCOME FROM DISCONTINUED ACTIVITIES

For the 2016/2017 financial year, there are no discontinued activities.

For the 2015/2016 financial year, there are no discontinued activities.

23.2. ASSETS AND LIABILITIES HELD FOR SALE

As of March 31, 2017, the development costs of the PrideFest game, which was sold in April 2017, have been reclassified from intangible fixed assets to assets held for sale.

NOTE 24—OFF–BALANCE SHEET COMMITMENTS

Given the agreement reached with Alden on July 12, 2016, there is no longer any significant security interest or guarantee granted to third parties.

NOTE 25—MARKET RISK MANAGEMENT

The holding company is responsible for risk management according to the context of the financial markets and the procedures established by management. Foreign exchange transactions are carried out according to local laws and access to the financial markets. Subsidiaries may enter into contracts directly with local banks under the supervision of the holding company Atari SA and in accordance with the Group’s procedures and policies.

25.1. FOREIGN EXCHANGE RISKS

For foreign exchange risks related to the financing of subsidiaries, they are concentrated at the level of the parent company and, where appropriate, specific hedges are put in place according to the financing strategies envisaged. As of March 31, 2017, the Group has not implemented a currency hedging policy on all of these amounts, as it relates to long-term financing of the Group's US operations.

Each of the main currency zones (euro, US dollar) is overall balanced between cash inflows and disbursements. For this reason, the Group has not implemented a currency hedging policy on its commercial operations.

Nevertheless, since the Group's consolidated financial statements presented in euros, the assets, liabilities, income, and expenses that are initially being recorded in currencies other than the euro must be translated into euros at the applicable exchange rate before they are included in the Group's consolidated financial statements. If the euro appreciates against any other currency, the value in euros of the Group's assets, liabilities, income and expenses initially denominated in another currency will decrease. The opposite is true if the euro depreciates. As a result, changes in the exchange rate of the euro may have an effect on the value in euros of the Group's assets, liabilities, income and expenses outside the eurozone, even if their value remains unchanged in their original currency. The most significant foreign exchange risk relates to the revenue and profit of US subsidiaries that initially record their transactions in USD and to the Group's intangible assets denominated in USD.

An unfavorable change in the euro/dollar exchange rate would not have a significant impact on the overall currency position. As an indication, a 1% unfavorable variation of the USD against the euro would result, on the basis of the accounts dated March 31, 2017, in:

- A variation of -€0.1 million in consolidated sales
- A negligible variation in the consolidated net income of the Group

25.2. INTEREST-RATE RISKS

The Group does not have a policy of dynamic management of its interest rate risk. As of March 31, 2017, debt liabilities consist solely of bond issues. As of March 31, 2016, the variable rate component of debt amounted to €12.5 million and related to the Alden loan.

25.3. CREDIT RISKS

The global distribution of the Group's customers and the business risk management procedures have ensured there is no excessive concentration of credit risk.

NOTE 26—CONTINGENT LIABILITIES

In the normal course of business, Group companies may be involved in a number of legal, arbitral, administrative and tax proceedings. The significant legal risks to which the Group is exposed are presented below.

Apart from the disputes referred to in this document, to the Company's best knowledge, no proceedings have been brought by a government, and there are no judicial or arbitral proceedings, including any ongoing proceedings or threat of action that could have a significant impact on the Group's financial position and profitability or that have had such an impact in the last twelve months.

26.1 DISPUTE BETWEEN A FORMER EMPLOYEE AND THE COMPANY

During a previous financial year, a significant dispute arose between the Company and a former employee of the Group who claimed to have co-authored of one of the Group's main franchises. The plaintiff is seeking monetary and non-monetary damages arising from the allegedly illegal distribution by the Group of games based on this universe. The lawsuit is for approximately €17 million. At this stage of the proceedings, the Company categorically denies that the plaintiff's status of author and/or co-author, and considers the latter's claims as unfounded on the merits and on their amount. The respective submissions of the parties have been lodged with the competent courts. On September 8, 2016, the Court of First Instance of Lyon rendered a provisional judgment refusing certain requests and ordering an expert opinion on certain aspects of the case. This expert opinion is currently still in progress.

26.2 LITIGATION CONCERNING A DEVELOPMENT AND DISTRIBUTION AGREEMENT

Atari Interactive, Inc. ("Atari") and Frontier Developments, PLC ("Frontier") are engaged in legal proceedings in the Commercial Division of the New York State Supreme Court. Initiated by Frontier, this procedure concerns the agreement for the development and distribution of RollerCoaster Tycoon 3 Platinum (the original RCT3 game and the 2 extensions), which Atari has been granted, and relates mainly to the scope of the contractual audit clause and royalties paid by Atari to Frontier. Other games in the RollerCoaster Tycoon franchise are not affected (RCT1 and RCT2 and their respective extensions, RCT World and all mobile games), as Frontier has no rights to them because it is not the developer. Atari intends to assert its rights and defend its contractual position, and it considers that the required provisions were recorded at the end of the financial year.

NOTE 27—RELATED-PARTY TRANSACTIONS

27.1 REGULATED AGREEMENTS

During the year, new regulated agreements were submitted for prior authorization by the Company's Board of Directors in accordance with Articles L. 225-38 et seq. of the French Commercial Code relating to regulated agreements. These agreements were entered into to allow Atari SA to honor its commitment to Alden, within the short time frame provided for in the settlement agreement:

- Loan agreement by Ker Ventures to Atari SA, for a period of five days, of 5 million shares valued at €850,000 and remunerated at the legal interest rate authorized by the Board of Directors on July 13, 2016; this loan was repaid in full with the payment of interest for a total amount of €151.60
- Loan agreement by Ker Ventures to Atari SA, for an amount of €2.0 million, for a maximum duration of 18 months paid by a interest at the rate of 10% per annum and the free award of 4,177,657 warrants exercisable at any time for five years with a subscription price of €0.17 authorized by the Board of Directors of July 7, 2016. This loan was fully repaid with interest payments totaling €86,373.95.
- Loan agreement by HZ Investments (Alexandre Zyngier and HR Investments hereinafter collectively referred to as "Alexandre Zyngier") to Atari SA, for an amount of €0.5 million, for a maximum duration of 18 months paid by a interest at the rate of 10% per annum and the free award of 1,029,412 warrants exercisable at any time for five years with a subscription price of €0.17 authorized by the Board of Directors of July 7, 2016. This loan was fully repaid with interest payments totaling €21,215.39.

In addition, an agreement approved in the previous financial year continued to have effect:

- Three-year group licensing agreement with Batuta Capital Advisor LLC (Alexandre Zyngier) authorized by the Board of Directors on July 29, 2015.

27.2 EXECUTIVE COMPENSATION AND BENEFITS

The following tables include compensation and benefits of any kind due and/or paid to corporate officers by the company in which they are appointed as directors, in connection with such appointment by the company and by the controlled companies within the meaning of Article L233-16 of the French Commercial Code.

Since February 1, 2013, Frédéric Chesnais has taken on the role of Chief Executive Officer of the Group and also serves as Chairman of the Board of Directors.

FIXED COMPENSATION

On May 13, 2014, the Board of Directors approved the compensation conditions for the Chairman of the Board of Directors and Chief Executive Officer of the company. The Board of Directors has also set a fixed annual compensation equivalent to an annual gross salary of €300,000. Mr. Chesnais' compensation is set in dollars and is unchanged from the beginning. The exchange rate used below is the historical exchange rate of the day on which this compensation was determined. This compensation was confirmed at the Board of Directors' meeting of May 24, 2017.

VARIABLE COMPENSATION/OPTIONS

As of March 31, 2017, Frédéric Chesnais did not receive any variable compensation. On May 24, 2017, to cover the entire period from April 1, 2013 to March 31,2017, i.e., 4 years, the Board of Director granted an overall exceptional compensation of 420,000, payable 50% in cash and 50% in shares subject to a 2-year retention commitment, representing approximately 18 months of compensation. Reported on an annual basis, this supplement represents approximately 37% of the annual compensation.

During the financial year, he was awarded 1,650,000 stock options under the stock option plan enacted by the General Shareholders' Meeting of September 30, 2014.

On July 12, 2017, the Board of Directors decided to set up an discretionary bonus, as from April 1, 2017, which could represent (except in exceptional circumstances) between 50% and 125% of the annual fixed compensation and incorporating the following elements: revenue and EBITDA, cash generation, changes in stock prices and earnings per share, as well as various objective criteria related to the activity.

DIRECTOR'S FEES

In respect of the 2016/2017 financial year, Mr. Frédéric Chesnais is entitled to directors' fees under the same conditions as all other directors.

The following tables include compensation and benefits of any kind due and/or paid to corporate officers by the company in which they are appointed as directors, in connection with such appointment by the company and by the controlled companies within the meaning of Article L233-16 of the French Commercial Code.

Table 1: Compensation of Executive Corporate Officers:

Frédéric Chesnais - CEO	FY 2016/2017				FY 2015/2016			
	Amount due		Amount paid		Amount due		Amount paid	
(Amounts in K€)	Atari SA	Subs.	Atari SA	Subs.	Atari SA	Subs.	Atari SA	Subs.
Fixed compensation	12	300	12	300	12	300	12	300
Variable compensation	-	-	-	-	-	-	-	-
Director's fees	20	-	20	-	20	-	20	-
Non-cash benefits	-	-	-	-	-	-	-	-
TOTAL	**32**	**300**	**32**	**300**	**32**	**300**	**32**	**300**

On May 24, 2017, to cover the entire period from April 1, 2013 to March 31, 2017 (4 years), the Board granted overall exceptional compensation of €420,000 or 17.5 months of monthly compensation at €24,000 as indicated above, payable half in cash and half in Company stock.

Table 2: Compensation of non-executive Corporate Officers:

(Net amounts in K€)	FY 2016/2017		FY 2015/2016	
	Director's fees	Other compensation	Director's fees	Other compensation
Alexandre Zyngier	20	30	20	30
Erick Euvrard	20	-	20	-
Isabelle Andres	20	-	20	-
Alyssa Padia Walles	-	-	20	-
TOTAL	**60**	**30**	**80**	**30**

Mr. F. Chesnais is not entitled, in the event of termination of his employment contract and/or directorship, to gross severance pay.

NOTE 28—SUBSEQUENT EVENTS

The following events occurred after March 31, 2017:

- **Extension of the RollerCoaster Tycoon License until 2022:**
- In May 2017, an agreement was reached with Chris Sawyer, owner and creator of the RollerCoaster Tycoon license, providing for the extension until 2022 of the license.
- **Development of a New Hardware Product Announced:**
- In June 2017, the Atari group announced the preparation of a public relations and crowdfunding campaign to test the viability of a new hardware product for video games.
- **Production, in Partnership with Discovery Communications, of the Television Game Show "Atari: Codebreaker":** A quiz show expected to be broadcast on the Discovery Science Channel in a selection of European countries starting in fall 2017.

NOTE 29—STATUTORY AUDITORS' FEES

The fees for the financial years ended March 31, 2017 and March 31, 2016 in respect of the statutory audit of the annual financial statements and the audit of the consolidated financial statements are below.

Amounts in K€	FY 2016 / 2017					
	Deloitte	%	JLS Partners	%	Patrick Soussana Audit	%
Statutory audit (certification, review of statutory and consolidated accounts)						
- ATARI SA	**65**	55,6%	**35**	100,0%	**-**	0,0%
- Fully-consolidated subsidiairies	**40**	34,2%			**8**	80,0%
Other services (1)						
- ATARI SA	**4**	3,4%		0,0%	**-**	0,0%
- Fully-consolidated subsidiairies					**2**	20,0%
TOTAL	**109**	93,2%	**35**	100,0%	**10**	100,0%

Amounts in K€	FY 2015 / 2016			
	Deloitte	%	Mazars	%
Statutory audit (certification, review of statutory and consolidated accounts)				
- ATARI SA	**70**	88,1%	**70**	46,7%
- Fully-consolidated subsidiairies	**-**	0,0%	**73**	48,3%
Other services (1)				
- ATARI SA	**10**	11,9%	**8**	5,0%
- Fully-consolidated subsidiairies	**-**	0,0%	**-**	0,0%
TOTAL	**80**	100,0%	**150**	100,0%

NOTE 30—CONSOLIDATED COMPANIES

Company	Fiscal year end	Country	% contrôl		% intérest	
			31.03.2018	31.03.2017	31.03.2018	31.03.2017
Active subsidiairies						
Atari Europe S.A.S.	March 31	France	100,00	100,00	100,00	100,00
California US Holdings Inc.	March 31	Etats Unis	100,00	100,00	100,00	100,00
Atari Inc.	March 31	Etats Unis	100,00	100,00	100,00	100,00
Atari Interactive Inc	March 31	Etats-Unis	100,00	100,00	100,00	100,00
Atatri Media Productions Inc	March 31	Etats-Unis	100,00	100,00	100,00	100,00
Atari Capital Partners LLC	March 31	Etats-Unis	100,00	100,00	100,00	100,00
AITD Productions LLC	March 31	Etats-Unis	100,00	100,00	100,00	100,00
Cubed Productions LLC	March 31	Etats-Unis	90,72	90,72	90,72	90,72
RCTO Productions LLC	March 31	Etats-Unis	100,00	100,00	100,00	100,00
Asteroids Productions LLC	March 31	Etats-Unis	100,00	100,00	100,00	100,00
Atari Casino LLC	March 31	Etats-Unis	100,00	100,00	100,00	100,00
Inactive and undergoing liquidation						
Atari Japan KK	March 31	Japon	100,00	100,00	100,00	100,00
Curved Logic Ltd	March 31	Royaume-Uni	100,00	100,00	100,00	100,00
Game Nation Ltd	March 31	Royaume-Uni	100,00	100,00	100,00	100,00
Gamecity GmbH	March 31	Suisse	90,00	90,00	90,00	90,00
Gremlin Group Ltd	March 31	Royaume-Uni	100,00	100,00	100,00	100,00
Gremlin Holding Ltd	March 31	Royaume-Uni	100,00	100,00	100,00	100,00
Hartland Trefoil Ltd	March 31	Royaume-Uni	100,00	100,00	100,00	100,00
Infogrames Castlefield Ltd	March 31	Royaume-Uni	100,00	100,00	100,00	100,00
Infogrames Entertainment GmbH	March 31	Allemagne	100,00	100,00	100,00	100,00
Infogrames Entertainment Ltd	March 31	Royaume-Uni	100,00	100,00	100,00	100,00
Infogrames Interactive Direct Ltd	March 31	Royaume-Uni	100,00	100,00	100,00	100,00
Infogrames Interactive Gmbh	March 31	Allemagne	100,00	100,00	100,00	100,00
Infogrames Interactive Ltd	March 31	Royaume-Uni	100,00	100,00	100,00	100,00
Infogrames Learning Interactive	March 31	Royaume-Uni	100,00	100,00	100,00	100,00
Infogrames Learning Ltd	March 31	Royaume-Uni	100,00	100,00	100,00	100,00
Infogrames Studios Ltd.	March 31	Royaume-Uni	100,00	100,00	100,00	100,00
Maritquest Ltd	March 31	Royaume-Uni	100,00	100,00	100,00	100,00
Microprose Ltd	March 31	Royaume-Uni	100,00	100,00	100,00	100,00
Microprose Software Ltd	March 31	Royaume-Uni	100,00	100,00	100,00	100,00
Ocean Europe Ltd	March 31	Royaume-Uni	100,00	100,00	100,00	100,00
Ocean Holding Ltd	March 31	Royaume-Uni	100,00	100,00	100,00	100,00
Ocean International Ltd	March 31	Royaume-Uni	100,00	100,00	100,00	100,00
Ocean Media Ltd	March 31	Royaume-Uni	100,00	100,00	100,00	100,00
Ocean Software Ltd	March 31	Royaume-Uni	100,00	100,00	100,00	100,00
Stewart Holdings Ltd	March 31	Royaume-Uni	100,00	100,00	100,00	100,00

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended March 31, 2017

To the shareholders,

In compliance with the assignment entrusted to us by your general shareholders' meeting, we hereby report to you our report relating to the financial year ended March 31, 2017, on:

- The audit of the consolidated financial statements of ATARI, as they are attached to this report;
- The justification of our assessments;
- The specific verification required by law

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at March 31, 2017 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to note 2.1 "General Principles," which recalls that the consolidated financial statements were prepared as of March 31, 2017 in accordance with the rules applicable to a going concern.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- *Revenue Recognition - Revenue from Ordinary Activities*

  Note 2.20 of the consolidated financial statements sets out the accounting rules and methods relating to the revenue recognition. As part of our assessment of the accounting rules and principles observed by your group, we have verified the appropriateness of the accounting methods referred to above and of the information provided in the notes to the consolidated financial statements and we have ensured their correct application.

- *Other Intangible Fixed Assets*

  Note 2.8 of the consolidated financial statements sets out the accounting rules and principles relating to the activation of video game development costs. As part of our assessment of the accounting rules and principles observed by your group, we have verified the appropriateness of the accounting methods referred to above and of the information provided in the notes to the consolidated financial statements and we have ensured their correct application.

The assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATION

We have also performed in accordance with professional standards applicable in France, the specific verifications required by French law of the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements

In accordance with the law, we inform you that the management report does not include all the labour, environmental, and social information provided for in Article L. 225-102-1 of the French Commercial Code (code de commerce) and that an independent third party has not been appointed to verify the labour, environmental, and social information.

Lyon and Paris, August 1, 2017

The Statutory Auditors

DELOITTE & ASSOCIES	GERARD BADIN
JLS PARTNERS	JACQUES SULTAN

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www.atari.com

French *société anonyme* (corporation) with capital of €2,304,087.55
Corporate headquarters: 78 rue Taitbout 75009 PARIS – France
RCS Paris 341 699 106

ATARI SA ANNUAL FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED MARCH 31, 2017

1. BALANCE SHEET

ASSETS (K€)		March 31, 2017	March 31, 2016
Intangible assets	*Note 3*	**-**	-
Property, plant and equipment	*Note 3*	**2**	-
Financial assets	*Note 4*	**13 467**	9 248
Total fixed assets		**13 469**	9 248
Down payments and advances made		**-**	-
Trade receivables	*Note 5*	**834**	741
Other receivables	*Note 6*	**33**	100
Cash and cash equivalents	*Note 7*	**823**	326
Total current assets		**1 691**	1 167
Accruals	*Note 8*	**1 425**	1 086
Total assets		**16 585**	11 501

EQUITY & LIABILITIES (K€)		March 31, 2017	March 31, 2016
Capital stock		**2 304**	1 832
Share premium		**7 481**	407 472
Legal reserve		**946**	946
Retained earnings		**(14 088)**	(423 335)
Net income (loss) for the year		**1 717**	1 774
Equity	*Note 9*	**(1 639)**	(11 310)
Provisions for contingencies and losses	Note 10	**12 899**	18 296
Bond debt	*Note 11*	**1 981**	1 900
Bank debt		**-**	-
Other financial liabilities	*Note 12*	**1 674**	650
Trade payables	*Note 13*	**342**	933
Operating liabilities	*Note 13*	**718**	949
Liabilities		**4 715**	4 431
Accruals	*Note 8*	**610**	83
Total shareholders' equity and liabilities		**16 585**	11 501

2. INCOME STATEMENT

(K€)		March 31, 2017	March 31, 2016
Revenue	*Note 14*	**2 009**	1 422
Other income	*Note 14*	**178**	295
Reversal of depreciation, provisions, transferred expenses	*Note 17*	**100**	-
Operating revenue		**2 287**	1 717
Other purchases and expenses	*Note 15*	**(796)**	(1 441)
Taxes		**(9)**	(10)
Payroll expenses	*Note 16*	**(507)**	(639)
Other expenses	*Note 16*	**(136)**	(222)
Depreciation, amortization and provisions	*Note 17*	**(6)**	(13)
Operating expenses		**(1 455)**	(2 325)
Operating income		**832**	(607)
Financial income	*Note 18*	**18 617**	4 629
Financial expense	*Note 18*	**(17 540)**	(3 397)
Net Financial income and expense		**1 077**	1 232
Current income before taxes		**1 909**	624
Non-recurring income	*Note 19*	**124**	1 739
Non-recurring expenses	*Note 19*	**(302)**	(589)
Non-recurring income and expense		**(178)**	1 150
Income Tax	*Note 20*	(14)	-
Net income (loss) for the Year		**1 717**	1 774

NOTES

These notes are an integral part of Atari's (the "Company") financial statements for the year ended March 31, 2017 with a balance sheet total of €16.6 million and the income statement, presented in list form, showing a profit of €1.7 million.

The individual financial statements for the financial year ended March 31, 2017 and March 31, 2016 have a duration of 12 months.

1. HIGHLIGHTS

Highlights of the 2016/2017 financial year:

The highlights of the period are:

- **Alden Settlement and Alden Loan Repayment:**
  On July 12, 2016, the Atari Group entered into an agreement with Alden resulting in a total and definitive repayment of the Alden loan for a total, in principal plus accrued interest, of €12.5 million. The redemption price is €5.3 million, of which €4.5 million is paid in cash and the balance by surrender of 5 million shares.

- **Capital Increases for €8.0 Million:**
  On July 12, 2016, the Atari Group launched a capital increase to participate, for up to €2.8 million, in the financing of amounts due under the agreement with Alden, and for up to €0.3 million euros in the financing of games.

  On October 28, 2016, the Atari Group launched a €2.5-million capital increase to finalize the Group's deleveraging following the agreement with Alden in the summer of 2016, and a €2.4-million capital increase to endow the Group with the means to finance its development.

2. ACCOUNTING PRINCIPLES AND METHODS

2.1. Principles Used in Preparing the Financial Statements

Atari's financial statements are prepared in accordance with French legal and regulatory provisions. They comply in particular with the provisions of Regulation 2016-07 of the French Accounting Standards Authority. And in particular they observe the principles of prudence, lawfulness, true and fair view, permanence of the methods from one period to another, and independence of reporting periods.

Assessment of the Going Concern Principle

As of March 31, 2017, the Alden loan totaling €12.5 million in principal plus accrued interest, is fully repaid as a result of the settlement agreement reached on July 12, 2016.

On July 12, 2016, the Atari Group reached an agreement with Alden resulting in a total and definitive repayment of the Alden Loan for €5.3 million, of €4.5 million was paid in cash (and financed as indicated below), and the balance of €0.8 million was paid by surrender to Alden of 5 million Atari shares.

As of March 31, 2016, this Alden loan was included in the accounts of Atari Europe, a wholly-owned subsidiary of Atari SA, for an amount of €12.5 million.

Atari disputed this amount, in particular on the basis of the existence of obvious and serious errors in the calculation of the Annual Percentage Rate ("APR") and the fact that it had not been informed of this APR. If this is the case, in accordance with the law and the applicable case law, the contractual interest rate must be replaced by the legal interest rate and any difference between the two rates, where the interest rate is higher than the legal interest rate, is deducted from the sums due to the creditor. This position held by Atari was supported by a legal analysis.

Atari' application filed with the court was, in addition to the cancellation of the loan, for the reimbursement to Atari of an overpayment of €4.1 million.

However, Atari preferred to enter into a settlement agreement with Alden on the above bases mainly for the following reasons:

- The legal risks in France, in particular the possible cancellation by the Paris Court of Appeal of the 2-year grace period obtained by Atari in the first instance and which would inevitably have led to the opening of bankruptcy proceedings, or the risk of legal proceedings becoming time barred
- The legal risks in the United States, as Alden had been granted a reopening of the Chapter 11 procedure limited to the examination of the pre-dispute arbitration clause and its possible application to the loan
- Significant attorneys' fees in both countries
- And finally, from a strategic and operational standpoint, the advantage of being able to immediately lift all the security interests, especially on the brand, and to free itself from a major uncertainty about the future of the Group which hindered the development of fruitful relationships with partners in the long term

With this agreement:

- The Atari Group has no further debt with Alden
- The security interests that encumbered the assets, including the brand, have been totally lifted
- This transaction resulted in a gain of €7.2 million recorded in the consolidated financial statements as of March 31, 2017
- All legal proceedings in France and the United States have definitely ended

Atari SA financed the cash portion of €4.5 million by issuing new shares to a third-party investor for €2 million, at a price of €0.17 euros per share, and by setting up a €2.5 million bridge loan bearing interest at 10% per annum with warrants at the same price as above for a total exercise price of €875,000. This loan was granted by Ker Ventures (holding company owned by Frédéric Chesnais) for €2.0 million and by HZ Investments (Alexandre Zyngier and HZ Investments hereinafter collectively referred to as "Alexandre Zyngier") for €0.5 million.

This €2.5 million loan was refinanced by way of a capital increase as described above.

Considering these elements, and the cash projections over the next 12 months, Atari SA closed the accounts as of March 31, 2017, retaining the principle of going concern.

2.2. Accounting Principles

The basic method used to value the items recorded in the accounts is the historical cost method.

The main methods used are:

- **Intangible and tangible fixed assets**

Intangible and tangible fixed assets are valued at their acquisition cost (purchase price plus incidental costs). The depreciation/amortization period depends on the nature of the fixed assets:

- Software 1 to 3 years
- Material and tools 1 to 4 years
- Fixtures and fittings 10 years
- Furniture 2 to 10 years

Tangible fixed assets are depreciated on a straight-line basis.

- **Financial Fixed Assets**

The gross value of equity securities is the historical cost of acquisition of these securities, including the costs directly attributable to the acquisition.

A provision for impairment is made when the recoverable amount is less than the asset's entry value. The recoverable value is assessed on the basis of various criteria, including those used when acquiring a stake (in particular the market multiples criterion), the market value, the profitability outlook based on the discounted cash flow forecasts and revalued equity.

If necessary, when the recoverable amount is negative, in addition to the impairment of the securities, the other assets held are impaired and, if necessary, a provision for risks is recorded.

- **Receivables**

Receivables are valued at their nominal value. A provision for impairment is made when the inventory amount is less than the asset's gross book value.

- **Foreign Currency Transactions**

Expenses and income in foreign currencies are recorded at their exchange value at the date of the transaction. Foreign currency debt, receivables, and cash equivalents are shown in the balance sheet at their exchange value at the end of the financial year. The difference resulting from the discounting of debts and receivables in foreign currencies at the latter price is recorded in the balance sheet under "Translation differences."

Unrealized foreign exchange losses are subject to a provision for risks.

- **Bond issue costs, premiums, discounts and redemptions**

Borrowings are recorded at their issue value. Issue and redemption fees and premiums are recognized under "Adjustment accounts" in assets and amortized in financial net income over the life of the debt, unless the risk of redemption is subject to hedging.

- **Stock Options**

Stock options are recognized when the options are exercised as a capital increase for an amount equal to the subscription price paid by their holders. The difference between the subscription price and the par value of the share is, where applicable, a share premium.

- **Tax Integration**

Atari and Atari Europe opted for the tax integration regime. Under the terms of the agreement concluded, each subsidiary calculates its tax expense as it were not consolidated. The tax savings resulting from the use of the tax losses of the consolidated subsidiaries are immediately recognized in the income statement by Atari and are not subsequently reversed into cash. When the subsidiaries become profitable again, Atari bears, if necessary, an additional tax expense due to the deficits of its subsidiaries that it has already deducted. Atari SA is the head of the Tax Consolidation Group composed of Atari SA and Atari Europe SAS.

- **Use of Estimates**

The preparation of the individual financial statements in accordance with generally accepted accounting principles requires taking into account estimates and assumptions made by the management of the Company and affecting the amounts of assets and liabilities appearing in the balance sheet, the amounts of contingent assets and contingent liabilities, as well as the amounts of income and expenses in the income statement and the cash flow forecasts underlying the going concern principle. It is possible that the final amounts will differ from the estimates and assumptions used.

3. INTANGIBLE AND TANGIBLE FIXED ASSETS

Intangible and tangible fixed assets did not change significantly during the year:

3.1. Intangible Fixed Assets

(K€)	March 31, 2016	Acquisitions / Depreciation	Disposals / Reversals	March 31, 2017
Software	1	-	-	1
Other intangible assts	-	-	-	-
Total gross value	**1**	**-**	**-**	**1**
Total amortization	**(1)**	**-**	**-**	**(1)**
Total net value	**-**	**-**	**-**	**-**

3.2. Tangible Fixed Assets

(K€)	March 31, 2016	Acquisitions / Depreciation	Disposals / Reversals	March 31, 2017
General fixtures and fittings	-	-	-	-
Office equipment and computers	1	2	(1)	2
Total gross value	**1**	**2**	**(1)**	**2**
Total amortization	**(1)**	**0**	**1**	**0**
Total net value	**-**	**2**	**-**	**2**

4. FINANCIAL FIXED ASSETS

4.1. Changes in the Item

(K€)	March 31, 2016	Increases	Decreases	Currency impact	March 31, 2017
Investments in subs. and associates	809 373	13 535	-	-	822 908
Receivables from subs. and associates	21 286	5 518	(13 429)	(84)	13 292
Accrued interest on receivables	-	169	-	-	169
Atari Europe Loan	-	5 215	-	-	5 215
Other fixed assets	1 481	974	(2 046)	-	408
Total gross value	**832 140**	**25 411**	**(15 475)**	**(84)**	**841 992**
Provisions	**(822 892)**	**(16 820)**	**11 031**	**156**	**(828 525)**
					-
Total net value	**9 248**	**8 591**	**(4 444)**	**72**	**13 467**

The change in equity securities mainly corresponds to Atari SA's participation in the capital increase in Atari Europe for €11,605,000 by conversion of receivables, to the acquisition of warrants in the company ROAM Innovative specializing in audio accessories for €639,000, and the acquisition of shares of KIZZANG, a company that offers a new model of online casino games, for €1,140,000.

Receivables from participating interests consist of advances granted to wholly-owned subsidiaries: To Atari Capital Partners for €5,592,000, Atari Inc for €130,000, and Atari Europe for €1,000,000. Their decrease in the year corresponds, to the tune of €11,605,000, to the capital increase in Atari Europe carried out by conversion of receivables.

The "Atari Europe Loan" corresponds to the value of redemption by Atari SA of the former "Alden Loan."

Movements related to other financial assets correspond to the sale of treasury shares held by the Company. As of March 31, 2017, the Company holds 2,280,359 treasury shares, representing 0.99% of the Company's share capital.

4.2. Provision for Impairment of Financial Fixed Assets

(K€)	March 31, 2016	Increases	Decreases	Currency impact	March 31, 2017
Investments in subs. and associates	804 689	11 605	-	-	816 294
receivables from subs. and associates	17 936	-	(10 765)	(156)	7 015
Accrued interest on receivables	-	-	-	-	-
Atari Europe Loan	-	5 215	-	-	5 215
Other fixed assets	267	-	(267)	-	-
		-	-	-	-
Total provisions	**822 892**	**16 820**	**(11 031)**	**(156)**	**828 525**

The allocation/reversal of provisions for equity securities, receivables related to participating investments and the Atari Europe Loan correspond to the flows related to the capital increase by offsetting against receivables of Atari Europe.

The provision reversal on other financial fixed assets concerns treasury shares valued at the average price in March 2017.

5. TRADE RECEIVABLES

(K€)	March 31, 2017			March, 31 2016
	Gross	Impairment	Net	Net
Non-Group	-	-	-	-
Intra-group	1 802	(1 008)	794	741
Accrued	40	-	40	-
Total net value	**1 842**	**(1 008)**	**834**	741

All these receivables have a maturity of less than one year. These are mainly receivables from Group subsidiaries. The receivables on Atari Europe were the subject of a provision for impairment in full of their amount excluding taxes.

6. OTHER RECEIVABLES

(K€)	March 31, 2017	March 31, 2016
Corporate income tax	**-**	-
Sales taxes	**31**	100
Other receivables	**-**	-
Total	**31**	100

All these receivables have a maturity of less than one year.

7. CASH

(K€)	March 31, 2017	March 31, 2016
Marketable securities	**-**	-
Cash	**823**	326
Total	**823**	326

8. ACCRUALS

(K€)	March 31, 2017	March 31, 2016
Prepaid expenses	**52**	39
Bond issue costs	**28**	46
Unrealized foreign exchange losses on financial assets	**1 345**	992
Unrealized foreign exchange losses on receivables/payables	**-**	8
Total accruals (assets)	**1 425**	1 078

(K€)	March 31, 2017	March 31, 2016
Deffered revenue	**-**	-
Unrealized foreign exchange gains on financial assets	**579**	78
Unrealized foreign exchange gains on receivables/payables	**31**	6
Total accruals (liabilities)	**610**	83

Prepaid expenses concern operating expenses (insurance, royalties).

As of March 31, 2017, and March 31, 2016, debt issue fees relate to the issue of 2020 OCEANE bonds not converted into shares as of March 31, 2017 and amortized over the term of the borrowing. As of March 31, 2017, the balance of this item amounts to €28,000 after recognition of amortization of expenses to be allocated for €6,000 during the year.

Translation differences between assets and liabilities relate to the discounting of receivables and debts denominated in foreign currencies.

9. SHAREHOLDERS' EQUITY

(K€)	Number of shares	Capital stock	Other paid in capital	Legal reserve	Retained earnings	Profit (Loss)	Total
Shareholders' equity 03/31/2016	**183 185 574**	**1 832**	**407 472**	**946**	**(423 335)**	**1 774**	**(11 310)**
Capital Increase	28 958 476	290	4 512				4 802
Subscription	18 264 705	183	2 922				3 105
Appropriation of 2016 Profit			(407 472)		409 246	(1 774)	-
OCEANES 2015-2020 Issuance costs			47				47
Net income FY 2016/2017						1 717	1 717
Shareholders' equity 03/31/2017	**230 408 755**	**2 304**	**7 481**	**946**	**(14 088)**	**1 717**	**(1 639)**

9.1. Common Shares

As of March 31, 2015, shareholders' equity is made up of 170.813.236 fully paid-up common shares with a par value of €0.01.

As of March 31, 2016, shareholders' equity is made up of 183.185.574 fully paid-up common shares with a par value of €0.01.

As of March 31, 2017, shareholders' equity is made up of 230,408,755 fully paid-up common shares with a par value of €0.01.

All shares are of the same class and may be held, at the option of the holder, in the form of Identifiable Bearer Securities (*Titres au Porteur Identifiable*, TPI) or registered shares. Each share entitles the holder to one vote on each of the resolutions submitted to the shareholders. A double voting right is attached to all the existing paid-up shares held by the same shareholder for a minimum of two years, as well as to any shares subsequently acquired by the same shareholder through the exercise of the rights attached to these registered shares.

9.2. Atari Stock Option Plan

Decided by the general meeting of September 30, 2014, 5,104,000 options were awarded on October 30, 2014, including 4,000,000 for Frédéric Chesnais.

During the 2015/2016 financial year, 521,472 additional options were awarded under this plan.

During the 2016/2017 financial year, 2,378,528 additional options were awarded under this plan, including 1,664,850 for Frédéric Chesnais. As of March 31, 2016, there were no more options to award.

As of March 31, 2017, the total number of shares for which existing options could be exercised represented 3.51 % of the Company's share capital at that date.

9.3. Company Savings Plan (*Plan d'épargne entreprise*, PEE)

No new Company Savings Plan was implemented during the year or the previous year.

9.4. Award of Rights to Performance Shares

The performance shares were all canceled because of the departure of the employees or the non-respect of the performance criteria.

10. PROVISIONS FOR FOR CONTINGENCIES AND LOSSES

(K€)	March 31, 2016	Additions	Reversal		March 31, 2017
			utilized	surplus	
Provisions for exchange risk	1 000	344	-	-	1 345
Provisions for losses on investments in subsidiaries	17 135	-	-	(5 640)	11 495
Other provisions	160	-	-	(100)	60
Total	**18 296**	**344**	**-**	**(5 740)**	**12 899**
o/w operating				(100)	
o/w financing		344	-	(5 740)	
o/w non-recurring					

Provisions for foreign exchange risks amounted to €1.3 million.

Provisions for financial risks are intended to hedge the foreign exchange risks, as well as the risks related to the negative net positions of certain subsidiaries.

Provisions for risks related to negative net positions concern Atari Europe for €11.5 million.

11. BOND DEBT

11.1. Position as of March 31, 2017

(K€)	OCEANES 2003-2020	OCEANES 2015-2020	Total
% convertible / exchangeable bonds	99,50%	76,61%	
Number of bonds outstanding	82 906	3 323 916	
Face value	580	1 163	
Redemption premium	45	-	
Accured Interests		193	
Total	**625**	**1 356**	**1 981**
o/w due to less than one year			
o/w due in more than one year	625	1 356	1 981

11.2 2015-2020 OCEANE BONDS (ISIN FR0012395663)

At the end of the financial year, 3,323,916 2020 Océane Bonds were outstanding. If all the bonds were submitted for conversion, this would result in the issue of 3,353,771 new shares with a dilutive effect on the Company's share capital of 1.46% as of the balance sheet date.

11.3. 2003-2020 OCEANE BONDS (FORMERLY THE 2003-2009 OCEANE BONDS)

On December 23, 2003, the Company issued 16,487,489 bonds convertible into or exchangeable for new or existing shares (hereinafter, the "2003-2020 OCEANE Bonds") with a par value of €7, amounting to €124.30 million in principal. These bonds, which initially matured on April 1, 2009, bore interest at 4% per annum. Each bond could initially be converted into an Atari share.
On September 29, 2006, the General Meeting of the holders of 2003-2009 OCEANE Bonds amended these OCEANE bonds as follows:

- Change of the maturity date from April 1, 2009 to April 1, 2020
- Loss by holders of OCEANE bonds as from April 1, 2009 of the option to convert and/or exchange their debt securities into/for new or existing Atari shares
- Change in the nominal interest rate from the initial 4% to 0.1%
- Deletion of Article 2.5.10 of the issuance agreement entitled "Early Repayment of 2020 OCEANE Bonds in the Event of Default"

Since April 1, 2009, the holders of 2003-2020 OCEANE Bonds may no longer subscribe for, exchange, or buy Atari shares. The 2003-2020 OCEANE Bonds no longer have a dilutive effect on the share capital of the Company from that date.

As of March 31, 2017, 82,906 2003-2020 OCEANE Bonds remain outstanding.

12. OTHER FINANCIAL LIABILITIES

(K€)	March 31, 2017	March 31, 2016
Accrued interest on bond debt	-	152
Bank overdrafts	-	-
Accrued interest on bond debt	-	-
Liabilities to Group subsidiaries	**1 674**	497
Other	-	-
Total other financial liabilities	**1 674**	650
o/w due in more than one year	*1 674*	*497*
o/w due in less than one year		*152*

13. OPERATING LIABILITIES

(K€)	March 31, 2017	March 31, 2016
Trade payables	**342**	933
Personnel	**103**	120
Employee benefits	**116**	93
Corporate income tax	**266**	453
Other liabilities	**231**	283
Total operating liabilities	**1 057**	1 882

All operating liabilities have a maturity of less than one year.

14. OPERATING REVENUE

The operating income breaks down as follows:

(K€)	March 31, 2017	March 31, 2016
Revenue	**2 009**	1 422
Other operating income	**178**	295
Reversal of operationg provisions	**100**	-
Total operating revenue	**2 286**	1 717

Revenues consist mainly of licensing and re-invoicing of products to Group companies.

15. OTHER PURCHASES AND EXPENSES

"Other Purchases and Expenses" are broken down as follows:

(K€)	March 31, 2017	March 31, 2016
Purchases not included in inventories	**4**	32
Sous-traitance	**-**	-
Redevances de licence	**-**	107
Rents (including services and maintenance charges)	**71**	55
Locations mobilières (y compris crédit bail)	**-**	3
Cleaning, maintenant and repairs	**8**	7
Insurance	**17**	42
Fees	**458**	982
Advertising, publications, public relations	**87**	69
Travel, assignements and entertainment	**39**	60
Postage and communications	**12**	4
Bank charges and securities fee	**99**	72
Directors'fee (gross amount)	**136**	222
Other expenses	**2**	7
Total other purchases and expenses	**932**	1 663

The decrease in fees is related to the services of lawyers and counsel involved in the dispute with Alden.

16. PERSONNEL COSTS

The average workforce employed during the last two years was 2 executives.

The compensation paid by the company to the members of the Board of Directors for the financial year ended March 31, 2017 includes social contributions, €12,000 in salaries paid, and €136,000 in attendance fees.

Law No. 2014-288 of 5 March 2014 on vocational training, employment, and corporate democracy in particular establishes the creation of a personal training account (*compte personnel de formation*, CPF), which allows to capitalize training hours at a rate of 24 hours a year up to 120 hours, then 12 hours up to 150 hours in total, for full-time under a permanent contract (CDI). This right was not used by employees during the 2016 calendar year. The company's commitment under the CPF as of March 31, 2017 is 73 hours compared to 173 hours the previous year.

17. REVERSALS AND DEPRECIATION/AMORTIZATION AND OPERATING PROVISIONS

(K€)	March 31, 2017	March 31, 2016
Provisions for contingencies and losses	**100**	-
Provisions for the impairment of current assets	**-**	-
Total reversals	**100**	-
Depreciation and amortization:	**-**	-
- Intangible assets	**-**	-
- Tangible assets	**0**	1
Amortization of expenses attribuate to several periods	**6**	12
Provisions for contingencies and losses	**-**	-
Provisions for the impairment of current assets		
Total depreciation and amortization	**6**	13

18. NET FINANCIAL INCOME AND EXPENSES

(K€)	March 31, 2017	March 31, 2016
Financial income		
- Foreign exchange gain	**5**	0
- Dividend	**-**	-
- Interests income	**282**	58
- Reversals of provisions and expense transfers	**18 325**	4 552
- Other financial income	**5**	18
- Proceeds from the sale of securities	**-**	-
Total financial income	**18 617**	4 629
Financial expenses		
- Foreign exchange losses	**(21)**	(2)
- Interests expense	**(208)**	(330)
- Depreciation, amortization and provisions	**(17 312)**	(3 064)
- Other financial expenses	**-**	-
Total financial expenses	**(17 540)**	(3 397)
Net financial income and expense	**1 077**	1 232

Net financial income and expense for the financial year ended March 31, 2017 included a €5,640,000 reversal of Atari Europe's provision for negative shareholders' equity, and a reversal of Atari Europe's provisions for related receivables of €10,765,000.

Financial expenses for the year ended March 31, 2017 mainly include:

- The provision for foreign exchange losses of €344,000
- The provision for impairment of loans to subsidiaries due to exchange rate fluctuations for €147,000
- The impairment provision for Atari Europe shares for €11,605,000.
- The impairment provision for the "Atari Europe Loan" for €5,215,000.

Net financial income and expense for the financial year ended March 31, 2016 included a €3,948,000 reversal of Atari Europe's provision for negative shareholders' equity.

Financial expenses for the year ended March 31, 2016 mainly include:

- The provision for foreign exchange losses of €278,000.
- The provision for impairment of loans to subsidiaries due to exchange rate fluctuations for €429,000.
- The impairment provision for Atari Europe receivables for €2,357,000.

19. NON-RECURRING INCOME AND EXPENSES

(K€)	March 31, 2017	March 31, 2016
Non-recurring income		
- Operating activities	**-**	-
- Investing activities	**124**	1 739
- Amortization and provisions	**-**	-
Total non-recurring expenses	**124**	1 739
Non-recurring expenses		
- Operating activities	**-**	(120)
- Investing activities	**(302)**	(469)
- Amortization and provisions	**-**	-
Total non-recurring expenses	**(302)**	(589)
Non-recurring income and expense	**(178)**	1 150

As of March 31, 2017, and March 31, 2016, non-recurring income and expenses mainly correspond to the result of treasury share transactions.

20. CORPORATE INCOME TAX AND PROFIT SHARING

Since July 1, 1995, Atari SA has opted for the tax integration regime under the Group made up of the Company and Atari Europe SAS. As of March 31, 2017, the Groups deferrable tax losses amounted to €733 million.

The potential future tax savings as of March 31, 2017 amounted to €245 million, representing a value of €1.08 per share, excluding treasury shares, comprising the share capital as of March 31, 2016.

As of March 31, 2017, the consolidated taxable income corresponds to a €1.1 million profit before deduction of the deferred tax loss. Such deduction of the deferred loss from taxable income results in tax savings of around €0.3 million.

To the extent that the company has significant tax losses, the distribution of the tax between current and extraordinary income is irrelevant.

21. STATEMENT OF ACCRUED INCOME AND EXPENSES

21.1. Statement of accrued Expenses

(K€)	March 31, 2017	March 31, 2016
Financial debt - accrued interests	**193**	251
Trade payables - pending invoices	**156**	533
Tax and employee-related liabilities:	**-**	-
- Provision for bonuses, paid leave, working time credits	**105**	114
- Other employee benefits payable	**43**	48
- Tax liabilities	**12**	58
- Other employee benefits payable	**163**	163
Total accrued expenses	**672**	1 167

The amounts as of March 31, 2017, and as of March 31, 2016, mainly consist of accrued interest on financial debts and unpaid invoices.

21.1. Statement of accrued Income

(K€)	March 31, 2017	March 31, 2016
Financial assets - acrrued interests	**169**	-
Trade receivables -pending invoices	**40**	-
Other receivables -accrued income	**-**	-
Total accrued income	**209**	-

Interest accrued as of March 31, 2017 relates to interest on the "Atari Europe Loan."

Invoices to be issued to customers as of March 31, 2017 relate to the re-invoicing of fees to US subsidiaries.

22. OFF–BALANCE SHEET COMMITMENTS

22.1. Commitments Given

22.1.1 Guarantees Granted by Atari under the Alden Loan

Given the agreement reached with Alden on July 12, 2016, there is no longer any security interest or guarantee granted to third parties.

22.1.2. Simple Lease Commitments

The company entered into a lease agreement for its Paris headquarters for a renewable period of 3 years, effective June 15, 2010. The annual rent is approximately €60,000.

22.1.3. Leasing Contracts

There are no significant lease arrangements.

22.1.4. Retirement Lump Sum Payments

Given the reduced workforce of the Company, the commitments relating to retirement lump sum payments are insignificant.

23. LITIGATIONS

In the normal course of business, Group companies may be involved in a number of legal, arbitral, administrative, and tax proceedings. Although the final outcome of these proceedings cannot be presumed with certainty, the Group believes that the resulting obligations should not have a significant impact on its financial position and consolidated results.

Litigation between a Former Employee and the Company

During a previous financial year, a significant dispute arose between the Company and a former employee of the Group who claimed to have co-authored of one of the Group's main franchises. The plaintiff is seeking monetary and non-monetary damages arising from the allegedly illegal distribution by the Group of games based on this universe. The lawsuit is for approximately €17 million. At this stage of the proceedings, the Company categorically denies that the plaintiff's status of author and/or co-author, and considers the latter's claims as unfounded on the merits and on their amount. The respective submissions of the parties have been lodged with the competent courts. On September 8, 2016, the Court of First Instance of Lyon rendered a provisional judgment refusing certain requests and ordering an expert opinion on certain aspects of the case. This expert opinion is currently still in progress.

24. CONSOLIDATED COMPANIES

The Company publishes consolidated financial statements.

25. REGULATED AGREEMENTS AND RELATED-PARTY TRANSACTIONS

The special report by Atari SA's Statutory Auditors on the regulated agreements and commitments referred to in Articles L. 225-38 et seq. of the French Commercial Code for the financial year appears on page 114 of this document.

In addition, to the best of the Company's knowledge, there are no agreements other than agreements relating to normal transactions entered into under normal terms, directly or through an intermediary, between, on the one hand, one of the directors or one of the shareholders having a fraction of the voting rights greater than 10% of Atari SA and, on the other hand, a company in which Atari SA owns, directly or indirectly, more than half of the capital.

26. SUBSIDIARIES AND INVESTMENTS

Amounts in K€	Capital stock	Shareholders' equity (excluding capital)	Ownership interest (%)	Carrying amount of securities held:		Loans and avances outstanding	Revuenue for the last fiscal year	Profit (loss) for the last fiscal year	Notes
				Gross	Net				
A Subsidiairies (more than 50%-owned)									
Atari Europe SAS	200	(20 116)	100%	325 870	-	6 215	615	746	
California US Holdings Inc.	-	2 337	100%	429 370	-	-	-	(180)	
Atari Inc	-	7 899	100%	3 224	3 224	-	7 874	503	
Atari Interactive Inc.	-	1 154	100%	43 618	-	57	3 909	1 293	
Atari Capital Partners	1 840	(2 860)	100%	1 459	1 459	5 592	-	(1 309)	
Infogrames Interactive Ltd	-	(5 731)	100%	14 055	-	-	-	-	(a)
Infogrames Interactive Direct Ltd	-	1 087	100%	-	-	-	-	-	(a)
Infogrames Learning Ltd	8 663	(13 824)	100%	-	-	-	-	-	(a)
Infogrames Interactive Gmbh	26	455	100%	189	-	-	-	-	(a)
Hartland Trefoil Ltd	3	(51)	100%	-	-	-	-	-	(a)
Microprose Software Ltd	0	61	100%	71	-	-	-	-	(a)
Microprose Ltd	5 191	(2 352)	100%	2 769	-	-	-	-	(a)
Atari Japan KK	274	(2 384)	100%	328	-	2 257	-	-	(a)
B Investments (ownership interest of between 10% and 50%)									
- NEANT -									

(a) Dormant companies.

For subsidiaries and holdings whose individual accounts are kept in a currency other than the euro, the amounts indicated in the table above have been determined:

- In respect of capital and shareholders' equity, at the exchange rate at the closing date of the financial year to which they relate
- In respect of net revenue and net income, on the basis of the average exchange rate for the year to which they relate

27. SUBSEQUENT EVENTS

No subsequent events to the closing of the accounts are to be reported.

STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Financial year ended March 31, 2017.

To the shareholders,

In compliance with the assignment entrusted to us by your general shareholders' meeting, we hereby report to you our report relating to the financial year ended March 31, 2017, on:

- The audit of the annual financial statements of the company ATARI, as they are attached to this report
- The justification of our assessments
- the specific verification and information required by law

The annual financial statements were approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the Annual Financial Statements

We conducted our audit in accordance with the professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at March 31, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

Without qualifying our opinion, we draw your attention to note 2.1 "Principles Used in Preparing the Financial Statements" which recalls that the financial statements were prepared as of March 31, 2017 according to the rules applicable to a going concern.

II. Justification of our Assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- the assets of your company consist mainly of equity securities, for which the accounting rules and methods applied are described in note 2.2 "Financial Fixed Assets" and note 4 to the financial statements.

Our work consisted in assessing the elements taken into account in estimating the inventory values of these securities and the depreciations and provisions made.

The assessments were made as part of our audit of the annual financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific Verification and Information

We have also performed in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors' and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with the law, we inform you that the management report does not include all the labour, environmental, and social information provided for in Article L. 225-102-1 of the French Commercial Code (code de commerce) and that an independent third party has not been appointed to verify the labour, environmental, and social information.

Lyon and Paris, August 1, 2017

The Statutory Auditors

DELOITTE & ASSOCIES	GERARD BADIN
JLS PARTNERS	JACQUES SULTAN

GENERAL INFORMATION CONCERNING THE COMPANY

NAME AND REGISTERED (ARTICLES 3 & 4 OF THE ARTICLES OF INCORPORATION)

Atari SA

Corporate headquarters: 78 rue Taitbout, 75009 Paris - France

Telephone: + 33 (0) 800 814 850

LEGAL FORM AND LEGISLATION (ARTICLE 1 OF THE ARTICLES OF INCORPORATION)

French *société anonyme* (corporation) with a Board of Directors governed by Articles L. 210-1 and seq. of the French Commercial Code.

The Company is governed by French law.

DATE OF CREATION OF THE COMPANY AND DURATION (ARTICLE 5 OF THE ARTICLES OF INCORPORATION)

July 15, 1987. The duration of the Company is set at 99 years from its registration in the Trade and Companies Register, i.e., until July 15, 2086, except in the case of extension or early dissolution.

CORPORATE PURPOSE (ARTICLE 2 OF THE ARTICLES OF INCORPORATION)

The Company's purpose, in France and abroad, consists of, directly or indirectly:

- The design, production, editing, and distribution of all multimedia and audiovisual products and works, particularly for entertainment, whatever the form and especially in the form of software, the processing of data or content—whether interactive or not—on any medium and through any current or future mode of communication.
- The purchase, sale, supply, and more generally the distribution of all products and services in connection with the above purpose.
- The creation, acquisition, use, and management of intellectual and industrial property rights or other real or personal rights, in particular by way of assignment, licensing, patents, trademarks, or other rights of use.
- The acquisition, the search for partnerships and the acquisition of participating interests, whatever the form and especially by way of creation, issue, subscription, contribution, in any activity directly or indirectly related to the purpose above or to the products and themes developed by the Company.
- And, more generally, any transactions of any kind directly or indirectly related to the above purpose or to any similar or related purposes that may facilitate the Company's development.

TRADE AND COMPANIES REGISTER

PARIS B 341 699 106, APE/NAF Code: 5829C.

PLACES WHERE THE LEGAL DOCUMENTS CAN BE CONSULTED

Company's headquarters.

FISCAL YEAR (ARTICLE 6 OF THE ARTICLES OF INCORPORATION)

The financial year begins on April 1 and ends on March 31 of each year.

FUNCTIONING OF THE BOARD OF DIRECTORS (ARTICLE 14 & 15 OF THE ARTICLES OF INCORPORATION)

The Company is managed by a Board of Directors composed of at least 3 members and at most 18 members, subject to the exemption provided for by the French Commercial Code in the event of a merger.

Directors are appointed or reappointed by the Ordinary General Shareholders' Meeting for a period of three years.

The Board of Directors appoints a Chairperson from among its natural person members. The Chairperson represents the Board of Directors and chairs the Board. He or she organizes and directs the work of the Board of Directors, which he or she reports to the General Meeting. The Chairperson ensures the proper functioning of the Company's bodies and ensures in particular that the directors are able to fulfill their mission.

The Board of Directors meets as often as the interests of the Company require. Board meetings are convened by the Chairperson. Directors, constituting at least one third of the members of the Council, may request the Chairperson to convene the Council, indicating the agenda of the meeting, if it has not met for more than two months. If necessary, the Chief Executive Officer may request the Chairperson to convene the Board of Directors for a specific agenda.

Decisions are taken by a majority vote of the members present or represented, each director having one vote. In the event of a tie, the Chairperson has the casting vote.

The internal regulations and the committees of the Board of Directors are described in the report of the Chairperson of the Board of Directors provided for in Article L. 225-37 of the French Commercial Code.

MODE OF MANAGEMENT (ARTICLE 16 OF THE ARTICLES OF INCORPORATION)

The General Shareholders' Meeting of December 17, 2001 approved an amendment to Article 16 of the Company's Articles of Association to take into account the provisions of Article L. 225-51-1 of the French Commercial Code providing for the choice between two methods of exercising the General Management.

Upon the decision of the Board of Directors, acting by a majority of the members present or represented, the Chairperson or another natural person appointed by the Board of Directors who holds the title of Chief Executive Officer is responsible for the General Management of the Company. The Board of Directors chooses between the two methods of exercising the General Management and the option chosen by the Board of Directors is taken for a duration that cannot be less than one year.

RIGHTS ATTACHED TO SHARES (ARTICLE 11 OF THE ARTICLES OF INCORPORATION)

In addition to the voting rights attributed to it by law, each share entitles the holder to a share of the profits and corporate assets proportionate to the percentage of capital that it represents.

The General Meeting of October 26, 1993 decided to grant, pursuant to Article L. 225-123 of the French Commercial Code (formerly Article 175 of the Law of 24 July 1966), a double voting right with respect to the right conferred other shares in proportion to the share of capital they represent. This right is conferred, on the one hand, on all fully paid-up shares, for which there will be proof of registration to a holder's name, for at least two years, in the name of the same shareholder and, on the other hand, to all the shares from these same securities. The two-year period runs from the date on which these securities are registered, irrespective of the date of acquisition.

In the event of an increase in capital by capitalization of reserves, profits, or issue premiums, the double voting right is conferred, as soon as they are issued, on registered shares awarded free of charge to a shareholder on the basis of old shares for which it is entitled to this right. The Articles of Incorporation do not contain any conditions relating to the shareholder's nationality in order to benefit from this double voting right.

Any share converted to bearer form or whose ownership is transferred shall lose the double voting right. Nevertheless, the transfer as a result of succession, liquidation of community of property between spouses, or donation inter vivos in favor of a spouse or a relative entitled to succeed, shall result in no loss of the acquired right and shall not interrupt the deadlines provided for in Article L. 225-123 of the French Commercial Code.

The merger of the Company has no effect on the double voting right that may be exercised in the acquiring company, if its articles of incorporation have established it.

Equal treatment will be applied to all the shares making up the share capital, as regards the tax charges.

Whenever it is necessary to own several old shares to exercise any right, in the event of an exchange or award giving entitlement to new securities against the surrender of several old shares, individual securities or a number of securities less than required will not give any rights to the holder with respect to the Company. The shareholders have to make it their personal case to accumulate the necessary number of shares.

APPROPRIATION OF EARNINGS (ARTICLES 24 & 25 OF THE ARTICLES OF INCORPORATION)

Net income for each year, after deduction of general expenses and other expenses of the Company, including all amortization/depreciation and provisions, constitutes net profits and losses for the year.

On the profits of the exercise, less any previous losses, the following are deducted:

- First, at least five per cent for the legal reserve fund, a deduction that ceases to be compulsory when the fund has reached one-tenth of the capital, but which is once again required if, for any reason whatsoever, this quota is no longer attained.
- Then, all other sums to be held in reserve under the law.

The balance, plus the retained earnings, constitutes the distributable income that is available to the General Meeting to be allocated to the shares as a dividend, allocated to all reserve accounts, or carried forward.

The General Meeting may, in addition, decide to distribute sums taken from the reserves at its disposal. In this case, the decision expressly indicates the items from which the sums are taken.

The payment of dividends is made at the date and at the place fixed by the General Meeting or, failing that, by the Board of Directors, within a maximum of nine months after the end of the financial year.

The Board of Directors may, before the approval of the accounts for the financial year, distribute one or more interim dividends. The Ordinary General Meeting deciding on the financial statements for the financial year may grant to each shareholder, for all or part of the dividend or down-payments made available for distribution, an option between a payment in cash and a payment in shares.

Any dividends that have not been collected within five years from the date of payment are prescribed in accordance with the law.

CHANGE IN THE RIGHTS OF SHAREHOLDERS (ARTICLE 21 OF THE ARTICLES OF INCORPORATION)

The Extraordinary General Meeting is competent to make any amendments to the Articles of Incorporation authorized by law. However, it cannot increase shareholder commitments, except by unanimous shareholder decision.

SHAREHOLDERS' MEETINGS (ARTICLES 19, 20 & 21 OF THE ARTICLES OF INCORPORATION)

Convocation and Participation in the Meetings

General Meetings of the Company are convened in accordance with the law and are made up of all the shareholders whose shares are paid up, regardless of the number of shares owned by each of them at the time of the meetings. Meetings are convened at least fifteen days in advance for the first notification to attend and at least six days in advance for the second notification to attend, by a notice inserted in a newspaper authorized to receive legal announcements in the department of the corporate headquarters or by simple letter addressed to the last known domicile of each shareholder.

Each share entitles to one vote. There is no clause restricting shareholder participation in Meetings:

- For the registered shareholders, their participation depends on the registration of their shares on the Company's registers with the Company's account-holding institution no later than three business days before the date of the Meeting.
- For holders of bearer shares, their participation depends on the accounting registration of their shares, to their name, no later than three business days before the date of the Meeting, in their securities account held by their banker or financial intermediary. The accounting registration of their securities must be recorded by a stock certificate issued by an authorized intermediary.

All shareholders may attend the General Meeting:

- Registered shareholders must request an admission card from the Company's account-holding institution at least five days before the Meeting. The account-holding institution will send this document directly to them.
- Holders of bearer shares must make this request to their financial intermediary. The latter will send this request to the Company's account-holding institution (accompanied by a certificate of registration in an account, confirmed no later than three business days before the date of the Meeting). Shareholders will receive their admission card by mail.
- Shareholders may only be represented by another shareholder or by their spouse. The powers of attorney, drawn up in accordance with the requirements of the regulations in force, must be addressed:
    - As concerns registered shareholders, to the account-holding institution
    - As concerns holders of bearer shares, to the financial intermediary of the shareholder who will transmit them to the Company's account-holding institution at least one day before the Meeting, together with a stock certificate.

All shareholders may vote by correspondence by means of a form sent to them free of charge, at their request, by the institution in charge of managing the Company's securities. The form must be returned to their financial intermediary, or to the account-holding institution in the case of registered shareholders, at least three calendar days before the Meeting. A stock certificate issued by the financial intermediary must be attached to the mail voting form.

The Board of Directors will always have the option of refusing mail voting or access to the Meeting to any shareholder or representative who fails to comply with statutory and regulatory requirements. Shareholders may participate in General Meetings by videoconference or by electronic means of communication under conditions defined by decree.

Quorum and Majority Rules

The Ordinary General Meeting is regularly convened and deliberates validly when it gathers at least one fifth of the shares with voting rights. If this quorum is not reached, a new Assembly shall be held at least six days after the first. The deliberations taken in this second meeting are valid whatever the fraction of the capital represented, but they can only relate to all or part of the agenda of the first meeting.

The decisions of the Ordinary General Meeting are taken by a majority of the votes of the shareholders present, voting by correspondence, or represented.

The Extraordinary Shareholders' Meeting is regularly convened and deliberates validly if the shareholders present or represented have at least, on first convocation, a quarter and, on second convocation, one-fifth of the shares with voting rights; in the absence of the latter quorum, the second Meeting may be rescheduled at a date not exceeding two months later than the date of its meeting, subject to the exceptions provided by law.

Decisions of the Extraordinary General Meeting are taken by a two-thirds majority of the votes of the shareholders present, voting by correspondence, or represented.

IDENTIFICATION OF SHAREHOLDERS (ARTICLE 10 OF THE ARTICLES OF INCORPORATION)

The General Shareholders' Meeting of December 17, 2001 approved an amendment to the Company's Articles of Incorporation to take into account Article L. 228-3-3 of the French Commercial Code, which provides that the failure to comply with provisions allowing the identification the owners of the securities shall be sanctioned either by the deprivation of the right to vote or by the suspension or deprivation of the right to a dividend.

REPORTING THRESHOLDS (ARTICLE 10 OF THE ARTICLES OF INCORPORATION)

In accordance with the seventeenth resolution adopted by the General Shareholders' Meeting on December 16, 1999, Article 10 of the Company's Articles of Association provides that any natural or legal person, acting alone or in concert, who holds or ceases to hold , directly or indirectly, at least 2% of the capital or voting rights of the Company, or any multiple of this percentage, is required to inform the Company by registered letter with acknowledgment of receipt addressed to the corporate headquarters within five trading days from the crossing of each of these thresholds, and also to indicate the number of shares that it holds thus giving access to the share capital in the future, and the number of voting rights that are attached. Mutual fund management companies are required to make this disclosure for all of the Company's shares held by the funds they manage. Failure to comply with this obligation is sanctioned, upon request, as recorded in the minutes of the General Meeting, by one or more shareholders holding at least 5% of the capital or voting rights of the Company, by the deprivation of the voting rights attached to the shares exceeding the fraction that should have been declared as of the said Meeting and for any Meeting which would meet until the expiration of a period of two years following the date on which the notification legally done.

CHANGE IN CAPITAL (ARTICLE 9 OF THE ARTICLES OF INCORPORATION)

The share capital of the Company may only be changed under the conditions provided for by the legal or regulatory provisions in force. No provision of the Articles of Incorporation provides for conditions than those of the law with regard to the modification of the Company's share capital.

GENERAL INFORMATION CONCERNING THE COMPANY'S SHARE CAPITAL

CHANGE IN CAPITAL AND VOTING RIGHTS

Any change in the share capital or the rights attached to the securities that comprise it is subject only to legal requirements, as the Articles of Incorporation do not contain specific provisions thereon.

SHARE CAPITAL

As of March 31, 2017, subscribed and fully paid up capital amounted to €2,304,087.55 divided into 230,408,755 shares with a par value of €0.01.

AUTHORIZED CAPITAL

It will be proposed, at the General Meeting convened to approve the financial statements for the financial year ended March 31, 2017, to renew the authorizations to increase the capital by issuing shares or securities giving access to the Company's share capital.

SECURITIES CARRYING ACCESS TO CAPITAL

FINANCIAL INSTRUMENTS GIVING ACCESS TO CAPITAL

Stock Subscription Option and stock Purchase Option Plans

As of March 31, 2015, the total number of stock options under all the existing plans give entitlement to 6,413,152 shares and represent 3.75% of the capital as of the same date.

As of March 31, 2016, the total number of stock options under all the existing plans give entitlement to 5,625,472 shares and represent 3.07% of the capital as of the same date.

As of March 31, 2017, the total number of stock options under all the existing plans give entitlement to 8,076,036 shares and represent 3.51% of the capital as of the same date.

Acting under the authorizations granted by Extraordinary General Meetings, the Board of Directors has awarded certain of the Group's employees and corporate officers options to subscribe for or purchase shares, the details of which are set out in the section "Management Report - Board of Directors' Report on Group Management - Summary of the main features of the option plans granted" of this document.

2015-2020 OCEANE Bonds (ISIN FR0012395663)

As of March 31, 2017, 3,323,916 2020 OCEANE Bonds were outstanding. If all the bonds were submitted for conversion, this would result in the issue of 3,394,131 new shares with a dilutive effect on the Company's share capital of 1.47% as of March 31, 2017.

Apart from the above securities, there are no other securities giving access to the capital of the Company.

INFORMATION ON THE POTENTIAL DILUTION OF THE CAPITAL OF THE COMPANY FOLLOWING TRANSACTIONS ON ITS CAPITAL AS OF MARCH 31, 2017

Issue date	Number outstanding on March 31, 2017	Exercise price	Identity of holders	Maturity	Number of shares for which securities can be exercised	Potential dilution (% of the capital stock on March 31, 2017)
Stock options						
01/11/14	4 000 000	0,20 €	Chesnais	31/10/22	4 036 000	1,75%
01/11/14	1 104 000	0,20 €	Persons referred to in sections L225-177 et 180 of the Commercial Code	31/10/22	1 113 936	0,48%
01/11/15	377 472	0,20 €		31/10/23	380 869	0,17%
04/01/16	144 000	0,16 €		03/01/24	145 296	0,06%
27/06/16	2 378 528	0,18 €		31/05/24	2 399 935	1,04%
Sub-total	***8 004 000***				***8 076 036***	***3,51%***
Warrants						
07/07/16	4 117 647	0,17 €	Ker Ventures	31/07/21	4 154 706	1,80%
07/07/16	1 029 412	0,17 €	Alex Zyngier	31/07/21	1 038 677	0,45%
Sub-total	***5 147 059***				***5 193 383***	***2,25%***
OCEANE 2020 (FR0012395663)						
19/02/15	3 323 916		Public	19/02/20	3 313 411	1,44%
			Ker Ventures		40 360	0,02%
Sub-total	***3 323 916***				***3 353 771***	***1,46%***
Total					**16 623 190**	**7,21%**

CHANGES IN COMPANY'S CAPITAL

The following table presents the changes in the company's capital over the last three years up to 3/31/2017:

Financial year	Type of transaction	Number of shares	Cumulative number of shares	Nominal value of the share	Share premium	Total capital stock (in €)
As at 31/03/2014			**48 721 472**	**0,01 €**	**227 508 155 €**	**487 215 €**
2014/2015	Conversion of OCEANE	99 222 381		0,01 €	24 889 542 €	992 224 €
2014/2015	Conversion of ORANE	22 869 383		0,01 €	93 546 989 €	228 694 €
As at 31/03/2015			**170 813 236**	**0,01 €**	**345 944 686 €**	**1 708 132 €**
2015/2016	Conversion of ORANE	12 372 338		0,01 €	61 527 400 €	123 723 €
As at 31/03/2016			**183 185 574**	**0,01 €**	**407 472 085 €**	**1 831 856 €**
2016/2017	Capital Increase	47 223 181		0,01 €	7 481 080 €	472 232 €
2016/2017	Allocation of past losses				-407 472 085 €	
As at 31/03/2017			**230 408 755**	**0,01 €**	**7 481 080 €**	**2 304 088 €**

STOCK OWNERSHIP AND VOTING RIGHTS

This information is described in the chapter "Management report - 5. Major Shareholders - 5.1. Share ownership and Voting Rights" of this document.

CROSSING OF REPORTING THRESHOLDS DURING THE FINANCIAL YEAR

This information is described in the chapter "Management report - 5. Major Shareholders - 5.2. Changes in Shareholding during the Period."

TRANSACTIONS CARRIED OUT BY THE COMPANY IN ITS OWN SECURITIES

During the financial year ended March 31, 2017, Atari SA and its subsidiary California US Holdings carried out the following transfers of Atari stock in connection with the purchase or sale of shares or bond conversions:

1. Sales of shares		
April 2016	0,18 €	60 996
May 2016	0,19 €	544 404
June 2016	0,18 €	1 244 141
July 2016 (1)	0,17 €	5 856 444
August 2016	0,20 €	3 195 195
September 2016	0,22 €	522 206
October 2016	0,24 €	150 000
November 2016		-
December 2016		-
January 2017	0,23 €	100 000
February 2017		-
March 2017		-
Total sales of shares		**11 673 386**
2. Share purchases		
March 2017	0,20 €	194 186
Total share purchases		**194 186**
3. Bond conversions		
Conversions of OCEANEs		35 950
Total bond conversions		**35 950**

(1) including 5,000,000 shares surrendered to Alden as part of the settlement agreement

TRADING BY CORPORATE OFFICERS IN SHARES AND OTER SECURITIES DURING THE YEAR

- **In shares**

Name Position on the transaction date	Type of transaction	Transaction date	Number of securities traded	Unit price	Transaction amount
Ker Ventures LLC Holding company controled by F. Che	Sale	22/07/2016	-500 000	0,20 €	-100 000 €
Ker Ventures LLC Holding company controled by F. Che	Payment commitment fees	29/07/2016	117 647	0,17 €	20 000 €
Ker Ventures LLC Holding company controled by F. Che	Sale	09/09/2016	-500 000	0,20 €	-100 000 €
Ker Ventures LLC Holding company controled by F. Che	Sale	12/09/2016	-200 000	0,22 €	-44 000 €
Ker Ventures LLC Holding company controled by F. Che	Sale	30/09/2016	-500 000	0,23 €	-115 000 €
Ker Ventures LLC Holding company controled by F. Che	Subscription Capital Increase	21/11/2016	6 366 997	0,17 €	1 082 389 €
F. Chesnais C.E.O.	Subscription Capital Increase	21/11/2016	29 333	0,17 €	4 987 €
E. Euvrard Member of the Board of Directors	Subscription Capital Increase	21/11/2016	26 316	0,17 €	4 474 €
A. Zyngier Member of the Board of Directors	Sale	13 to 20/07/2016	-2 951 476	0,18 €	-531 266 €
A. Zyngier Member of the Board of Directors	Subscription Capital Increase	21/11/2016	1 057 767	0,17 €	179 820 €

- **In 2015-2020 Océane Bonds**

Name Position on the transaction date	Type of transaction	Transaction date	Number of securities traded	Unit price	Transaction amount
Ker Ventures LLC Holding company controled by F. Che	Sale	28/12/2016	-15 000	0,33 €	-4 950 €
Ker Ventures LLC Holding company controled by F. Che	Sale	03/01/2016	-20 000	0,35 €	-7 000 €
Ker Ventures LLC Holding company controled by F. Che	Sale	10/02/2017	-67 858	0,35 €	-23 750 €

CHANGES IN OWNERSHIP OVER THE LAST THREE FINANCIAL YEARS

The tables below show the changes in shareholding over the past three years in terms of the percentage of capital held and voting rights. The differences between the number of shares and the voting rights held are explained by the fact that the registered shares held for at least two years benefit from double voting rights.

To the best of the Company's knowledge, as of March 31, 2017, the distribution of capital and voting rights was as follows:

Ownership	March 31, 2017					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Ker Ventures, LLC (1)	44 691 156	19,40%	44 691 156	19,31%	44 691 156	19,63%
Mr Alexandre Zyngier	10 119 906	4,39%	10 119 906	4,37%	10 119 906	4,45%
Arbevel	14 831 973	6,44%	14 831 973	6,41%	14 831 973	6,52%
Treasury shares	3 865 494	1,68%	3 865 494	1,67%	0	0,00%
Public (2)	156 900 226	68,10%	157 968 405	68,24%	157 968 405	69,40%
Total	**230 408 755**	**100,00%**	**231 476 934**	**100,00%**	**227 611 440**	**100,00%**

(1) Ker Ventures LLC, holding company owned by F. Chesnais.
(2) As of March 31, 2017, 1,068,179 shares have double voting rights.

To the best of the Company's knowledge, as of March 31, 2016, the distribution of capital and voting rights was as follows:

Ownership	March 31, 2016					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Ker Ventures, LLC (1)	39 877 179	21,77%	39 877 179	21,74%	39 877 179	22,88%
Mr Alexandre Zyngier	12 013 615	6,56%	12 013 615	6,55%	12 013 615	6,89%
Treasury shares	9 126 422	4,98%	9 126 422	4,98%	0	0,00%
Public (2)	122 168 358	66,69%	122 417 965	66,74%	122 417 965	70,23%
Total	**183 185 574**	**100,00%**	**183 435 181**	**100,00%**	**174 308 759**	**100,00%**

(1) Ker Ventures LLC, holding company owned by F. Chesnais.
(2) As of March 31, 2016, 249,607 shares have double voting rights.

To the best of the Company's knowledge, as of March 31, 2015, the distribution of capital and voting rights was as follows:

Ownership	March 31, 2015					
	Number of shares	%	Theoretical voting rights	%	Exercisable voting rights	%
Ker Ventures, LLC (1)	39 134 335	22,91%	39 134 335	22,91%	39 134 335	26,84%
Mr Alexandre Zyngier	1 996 000	1,17%	1 996 000	1,17%	1 996 000	1,37%
Alden	11 599 000	6,79%	11 599 000	6,79%	11 599 000	7,95%
Treasury shares	24 985 929	14,63%	24 985 929	14,63%	0	0,00%
Public (2)	93 097 972	54,50%	93 097 972	54,50%	93 097 972	63,84%
	170 813 236	**100,00%**	**170 813 236**	**100,00%**	**145 827 307**	**100,00%**

(1) Ker Ventures LLC, holding company owned by F. Chesnais.
(2) As of March 31, 2015, 247,566 shares have double voting rights.

SHAREHOLDERS' AGREEMENT

To the best of the Company's knowledge, there is no shareholders' agreement.

RELATED-PARTY TRANSACTIONS

These transactions with related parties are described in the notes to the financial statements of Atari SA for the year ended March 31, 2017 and in the special report of the Statutory Auditors prepared in accordance with the provisions of article L.225-40. of the French Commercial Code and appearing below.

PLEDGES, GUARANTEES, AND SECURITY INTERESTS

Given the agreement reached with Alden on July 12, 2016, there is no longer any security interest or guarantee granted to third parties.

MARKET FOR THE COMPANY'S SECURITIES

Securities management: CACEIS Corporate Trust, 14 rue Rouget de L'Isle, 92130 ISSY LES MOULINEAUX.
Telephone: +33(0)1.57.78.00.00

SHARES - ISIN CODE: FR0010478248

Stock Exchange: Euronext Paris—Compartment C
The share is eligible for the deferred settlement system (SRD Long)
The action is eligible for the PEA-PME savings plan
Included in indices: Next Economy, CAC All shares
Reuter code: ATARI.PA   Bloomberg code: ATA:FP

Period	Monthly highs and lows		Trading volume	Capital traded in the month
	High	Low		
2017				
March	0,22 €	0,20 €	8 961 242	1 861 288 €
February	0,22 €	0,20 €	17 608 786	3 675 343 €
January	0,25 €	0,20 €	45 564 832	10 536 303 €
2016				
December	0,24 €	0,18 €	36 445 874	7 486 766 €
November	0,21 €	0,18 €	13 926 225	2 630 455 €
October	0,25 €	0,19 €	17 394 166	3 803 890 €
September	0,24 €	0,21 €	14 396 503	3 258 590 €
August	0,25 €	0,18 €	23 587 031	5 097 977 €
July	0,21 €	0,17 €	20 751 381	3 985 009 €
June	0,19 €	0,15 €	8 364 211	1 444 571 €
May	0,20 €	0,18 €	5 483 411	1 025 533 €
April	0,19 €	0,17 €	4 680 163	842 493 €
March	0,22 €	0,17 €	24 387 707	4 689 215 €
February	0,19 €	0,14 €	14 435 504	2 266 718 €
January	0,24 €	0,16 €	48 124 148	9 790 240 €
2015				
December	0,29 €	0,12 €	54 068 385	11 782 514 €
November	0,19 €	0,17 €	3 759 732	678 040 €
October	0,20 €	0,18 €	3 654 045	690 728 €
September	0,20 €	0,18 €	3 263 315	611 007 €
August	0,21 €	0,18 €	4 582 968	888 005 €
July	0,23 €	0,17 €	17 811 431	3 569 559 €
June	0,19 €	0,17 €	4 245 958	755 920 €
May	0,20 €	0,18 €	5 735 288	1 080 374 €
April	0,21 €	0,19 €	5 139 161	1 004 395 €
March	0,23 €	0,19 €	7 741 324	1 577 334 €
February	0,23 €	0,21 €	7 018 143	1 550 052 €
January	0,25 €	0,21 €	11 538 929	2 673 599 €

(Source: Euronext)

2003-2020 OCEANE BONDS—ISIN CODE: FR0010032839

Period	Monthly highs and lows		Trading volume	Capital traded in the month
	High	Low		
2017				
March	3,91 €	3,91 €	500	1 955 €
January - February	-	-	-	-
2016				
December	3,85 €	3,85 €	675	2 599 €
November	3,86 €	3,86 €	200	772 €
October	3,85 €	3,63 €	800	3 036 €
September	3,78 €	3,68 €	2 467	9 279 €
August	3,98 €	3,98 €	867	3 451 €
July	3,97 €	3,97 €	2 396	9 512 €
January to June	-	-	-	-
2015				
December	2,98 €	2,50 €	18	49 €
November	-	-	-	-
October	2,62 €	2,41 €	500	1 293 €
September	-	-	-	-
August	2,78 €	2,20 €	1 038	2 496 €
June to July	-	-	-	-
May	2,38 €	2,19 €	529	1 183 €
April	1,81 €	1,81 €	1 406	2 545 €
March	2,60 €	2,45 €	2 550	6 548 €
February	2,00 €	2,00 €	1	2 €
January	-	-	-	-

(Source: Euronext)

2015-2020 OCEANE BONDS—ISIN CODE: FR0012395663

Period	Monthly highs and lows		Trading volume	Capital traded in the month
	High	Low		
2017				
March	0,36 €	0,35 €	32 692	11 760 €
February	0,37 €	0,35 €	217 329	77 654 €
January	0,38 €	0,35 €	138 454	50 914 €
2016				
December	0,36 €	0,33 €	110 673	37 286 €
November	0,35 €	0,33 €	47 819	16 440 €
October	0,35 €	0,32 €	25 899	8 895 €
September	0,34 €	0,30 €	180 792	55 745 €
August	0,34 €	0,31 €	117 309	39 713 €
July	0,33 €	0,26 €	148 392	46 767 €
June	0,30 €	0,25 €	4 608	1 272 €
May	0,34 €	0,25 €	11 468	3 780 €
April	0,30 €	0,25 €	18 402	5 200 €
March	0,30 €	0,23 €	5 630	1 518 €
February	0,30 €	0,25 €	2 400	686 €
January	0,30 €	0,23 €	14 268	3 976 €
2015				
December	0,22 €	0,19 €	68 899	14 149 €
November	0,22 €	0,21 €	25 770	5 649 €
October	0,23 €	0,21 €	3 928	893 €
September	0,27 €	0,24 €	6 858	1 773 €
August	0,33 €	0,28 €	3 114	924 €
July	0,31 €	0,25 €	19 320	5 386 €
June	0,28 €	0,25 €	20 568	5 535 €
May	0,29 €	0,27 €	10 884	3 037 €
April	0,30 €	0,29 €	3 418	992 €
March	0,34 €	0,26 €	34 628	9 577 €
February	0,34 €	0,27 €	15 486	4 517 €

(Source: Euronext)

DIVIDENDS

The Company has not, during the last five years, distributed dividends and the Board of Directors does not intend to propose any distribution for the last financial year closed.

CORPORATE GOVERNANCE

ADMINISTRATIVE, MANAGEMENT AND CONTROL BODIES

BOARD OF DIRECTORS AND BOARD COMMITTEES

As of the date of this document, the Board of Directors is composed of four directors, of whom 50% are independent directors.

The members of the Board of Directors are now:

- Frédéric Chesnais, Chairman and Chief Executive Officer, non-independent director
- Erick Euvrard, independent director
- Alyssa Padia-Walles, independent director
- Alexandre Zyngier, non-independent director

Since April 1, 2016, Frank E. Dangeard has been a non-voting Board member (this is an unpaid position).

Directors are appointed the General Meeting for a period of three years.

The Board has created two permanent Committees in charge of assisting it in carrying out its mission: the Audit Committee and the Appointments and Compensation Committee.

The Board's activity report is presented in the Chairman's report provided for in Article L.225-37 of the French Commercial Code (see "Report by the Chairman of the Board of Directors on Corporate Governance and Internal Control").

Directorships Held and Functions Performed by the Members of the Administrative Bodies

Frédéric CHESNAIS: Mr. Chesnias is a graduate of the Institute of Political Studies Paris, and has a degree in Finance and Law. He began his career as a financial advisor and practiced as a lawyer specializing in mergers and acquisitions. He then worked for Lazard Bank from 1995 to 2000. From 2001 to 2007, he was a member of the Atari Group's management team, first as Group Chief Operating Officer and Chief Financial Officer, then as Chief Executive Officer of Atari Interactive. In 2007, he left Atari to create his own video game company. In 2013, he became the largest shareholder of the Atari Group by purchasing Atari shares then held by BlueBay. He is currently Chairman and CEO of the Atari Group.

Alexandre ZYNGIER: A graduate of the University of Campinas, Brazil in Chemical Engineering, Mr. Zyngier holds an MBA in Finance from the University of Chicago. He began his career as Technical Director at Procter & Gamble and then as a consultant for McKinsey & Co. He has worked at CRT Capital Group LLC, then Goldman Sachs & Co, and Deutsche Bank. From 2009 to 2013, he served as Portfolio Manager for Alden Global Capital. Mr. Zyngier is a founding partner at Batuta Capital Advisors LLC, where he works with a select group of companies and credit/equity investors specializing in specific financings. He is also a director of GT Advanced Technologies Inc., a technology materials company, and AudioEye Inc., a provider of Internet access solutions for people with disabilities. In 2013, he became a major shareholder of the Atari Group by purchasing Atari shares then held by BlueBay.

Erick EUVRARD: A graduate of ESSEC, Mr. EUVRARD began his career at Arthur Andersen where he participated in the growing their Restructuring practice. He then joined Lucien Deveaux in the takeover of the Bidermann Group, whose turnaround he led before launching an Internet start-up that he sold in 2002. That is when he took over LBO Gigastore, a non-food discount brand, which he managed until its sale in 2008. Since then he manages a consulting firm specializing in periods of change, and co-leads a training group.

Alyssa Padia WALLES: A graduate of the University of Southern California and Chairman of Amplitude Consulting, Ms. Walles has significant experience in the media field. She is involved in developing and managing companies, sales, brand promotion, and the creation and implementation of international marketing campaigns in interactive entertainment. Ms. Walles is also a mentor on behalf of the USC Marshall School of Business.

Directorships Held and Functions Performed within the Atari Group during the 2016-2017 Financial Year

Name	Main Function in the Group
Frédéric Chesnais Renewed: 09/30/2016 Expiration: AGM/FY 2018-2019	**CEO and Chairman of the Board:** Atari SA (France) **Member of the Nomination and Compensation Committee:** Atari SA (France) **CEO (United States) :** California US Holdings Inc, Atari Inc, Atari Interactiv Inc, Atari Capital Partners LLC, AITD Productions LLC, Cubed Productions LLC, RCTO Productions LLC, Asteroids Productions LLC, Atari Casino LLC.
Erick Euvrard Renewed: 09/30/2016 Expiration: AGM/FY 2018-2019	**Director:** Atari SA (France) **Chairman of the Audit Committee:** Atari SA (France)
Alyssa Padia Walles Renewed: 09/29/2017 Expiration: AGM/FY 2019-2020	**Director:** Atari SA (France) **Chairman of the Nomination and Compensation Committee:** Atari SA (France)
Alexandre Zyngier Appointed: 09/30/2015 Expiration: AGM/FY 2017-2018	**Director:** Atari SA (France) **Member of the Audit Committee:** Atari SA (France)

Main Directorships Held and Functions Performed outside the Atari Group

Name	Main Function in the Group
Frédéric Chesnais	**General Manager :** Ker Ventures, LLC (Etats-Unis) OP Productions, LLC (Etats-Unis)
Erick Euvrard	**Director general:** Keatis : investment holding (France) **Manager director:** Quadrature: consulting firm (France)
Alyssa Padia Walles	**CEO:** Amplitude Consulting Inc. (United States)
Alexandre Zyngier	**Director:** Torchlight Energy Resources Inc (United States) **Founding partner:**

Alexandre Zyngier can also act through the Family Limited Partnership called "HZ Investments," which in legal terms is like the legal entity of Mr. Alexandre Zyngier.

Previous Directorships Held and Functions Performed over the Last Five Years outside the Atari Group

Names	Expired mandates or functions in the previous five years outside the Group Atari
Alexandre Zyngier	**Manager:** Alden Global Capital LLC (United States) 2009-2013 **Chairman of the board:** Vertis Communications Inc (United States) **Director:** Island One Resorts (United States) **Chairman of the Shareholders' Committee:** Idearc Creditors (United States)

Organization of the Board of Directors

Article 14 of the Articles of Incorporation stipulates that the Board of Directors of the Company is composed of at least three and at most eighteen members, subject to an exemption provided for by the legal provisions.

The Board of Directors does not have a director elected by the employees. The members of the Board of Directors have been chosen because of their recognized expertise in the areas of management, finance, and accounting, on the one hand, and of the interactive entertainment industry, on the other.

In accordance with the Company's Internal Regulations approved by the Board of Directors on March 12, 2012, the Board of Directors has the broadest management powers to act in all circumstances for and on behalf of the Company. It defines the Company's general management policy and ensures that it is implemented.

The Board of Directors approves the Company's strategic guidelines and ensures that they are implemented by senior management. In particular, the Board of Directors sets the thresholds for prior authorization necessary for the Chief Executive Officer (or other senior executives) to finalize and give effect to the main operations of the Company and approves the annual budget and the multi-year game publishing plan. The Board also approves any material changes to the Budget or publishing plan during the year.

In accordance with the law and the Internal Regulations of the Board, the directors have the necessary means to obtain all information essential to carry out an independent and critical analysis of the Group's business, its financial position, its results, and its prospects.

The Board of Directors is assisted by a non-voting member and two standing committees: the Audit Committee and the Appointments and Compensation Committee.

Each committee shall meet as often as necessary, convened by its chairman or by at least half of its members, to examine any matter within its area of competence. Independent directors constitute at least half of the members of the committees. Each committee is chaired by an independent director appointed by the Board of Directors.

The Board of Directors ensures that at least one-third of its members are independent directors. At the date of this document, the Board of Directors had two independent directors out of for members (i.e., 50%): Mr. Erick Euvrard and Ms. Alyssa Padia-Walles. The criteria used to qualify an independent director are detailed in the Chairman's report provided for in Article L.225-37 of the French Commercial Code (see "Report by the Chairman of the Board of Directors on Corporate Governance and Internal Control").

Convictions and Family Ties

To the best of the Company's knowledge, during the last five years, none of the members of the Administrative bodies:

- Has been convicted of fraud
- Has been associated with bankruptcy, receivership or liquidation
- Has been incriminated or officially sanctioned by any statutory or regulatory authority, including professional organizations
- Has been prevented by a court from acting as a member of an administrative, management, or supervisory body of an issuer or from acting in the management or conduct of the affairs of an issuer

As of the date of this document, the directors are not related to each other.

Potential Conflicts of Interest

To the best of the Company's knowledge, there is no potential conflict of interest between their duties with respect to the Company and the private interests of any of the members of the Board of Directors of the Company.

Board Committees

The composition, rules, and functions of the Board are detailed in the "Report by the Chairman of the Board of Directors on Corporate Governance and Internal Control" section of this document.

LOANS AND GUARANTEES GRANTED

During the past financial year, no loans or guarantees were granted or made to members of the Board of Directors or management bodies.

COMPENSATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE MANAGEMENT BODIES

This information can be found in Part 7 "Corporate Officers" of the "Management Report - Board of Directors' Report on Group Management."

THE MANAGEMENT TEAM

As of the date of this document, the management team is composed as follows:

- Frédéric Chesnais - Chief Executive Officer
- Philippe Mularski - Chief Financial Officer
- Todd Schallbetter - Chief Operating Officer of the Games Division
- Michael Arzt - Chief Operating Officer of the Connected Objects Division

STATUTORY AUDITORS' FEES

This information is presented in Note 30 "Statutory Auditors' Fees" to the Consolidated Financial Statements of this document.

INFORMATION CONCERNING EMPLOYEE PROFIT SHARING

This information can be found in Part 9 "Employee information - Employee Profit Sharing Information" of the "Management Report - Board of Directors' Report on Group Management" on page 35 of this document.

REGULATED AGREEMENTS

The details of the regulated agreements are set out in the Statutory Auditors' special report below.

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS - FINANCIAL YEAR ENDED MARCH 31, 201 7

Year ended March 31, 2017

To the shareholders,

In our capacity as Statutory Auditors of your company, we present to you our report on regulated agreements and commitments.

It is our responsibility to communicate to you, on the basis of the information given to us, the characteristics and the essential terms and the reasons justifying the interest for the company of the agreements and commitments of which we have been informed or that we have discovered on the occasion of our assignment, without having to issue our opinion on their usefulness and their merits nor having to seek the existence of other agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code, to assess the interest involved in entering into these agreements and commitments with a view to their approval.

In addition, it is our responsibility, if applicable, to provide you with the information provided for in Article R.225-31 of the French Commercial Code relating to the implementation, during the past financial year, of agreements and commitments previously approved by the general meeting.

We have performed the due diligence that we have deemed necessary in light of the professional standards of the French National Company of Auditors relating to this engagement. These procedures consisted in verifying the consistency of the information given to us with the basic documents from which it came.

Agreements and Commitments Submitted to the Approval of the General Meeting

Agreements and Commitments Authorized during the Past Financial Year

We inform you that we have not been given notice of any agreement or commitment authorized during the past financial year to be submitted for the approval of the General Meeting pursuant to Article L225- 38 of the French Commercial Code.

Agreements and Commitments Already Approved by the General Assembly

(1) Agreements and Commitments Approved in Prior Years that Continued to be Performed during the Past Financial Year

Consulting Agreement with Batuta Capital Advisors LLC

Your Board of Directors has authorized, as of July 29, 2015, the signing of a consulting agreement between California US Holdings, a subsidiary of your company, and Batuta Capital Advisors, LLC, of which Mr. Alexandre Zyngier, director of Atari SA, is an executive. This contract provides for a set of consulting services to be provided to California US Holdings in order to facilitate the establishment of marketing partnerships, distribution agreements, licensing agreements, and, more generally, all commercial agreement which could enable the recovery, development, and growth of the Atari group. The compensation provided for this consulting agreement for a period of three years is 2,250,000 shares of your company to be acquired on a pro rata temporis basis, as and when the services are provided over time.

Person involved: Alexandre Zyngier, as director of Atari SA, a company controlling California US Holdings.

Impact on the accounts for the year: California US Holdings, a subsidiary of Atari SA, recorded a charge of $229,227.

Reasons for the interest of the agreement for the company: Your board of directors has justified this agreement by the fact that it is likely to contribute to the recovery, development, and growth of the group.

2) Agreements and Commitments Approved during the Past Financial Year

Loan of 5,000,000 shares by Ker Ventures LLC

Your Board of Directors has authorized, as of July 13, 2016, in connection with the termination of the dispute between Atari SA and Alden and the signing of a settlement agreement with Alden, a share lending agreement by Ker Ventures LLC in favor of Atari SA in order to enable it to make a payment of 5,000,000 shares to Alden, as provided for in the settlement agreement. This loan is repayable in cash or in shares, no later than July 18, 2016, and carries compensation at the legal interest rate.

Person involved: Frédéric Chesnais as Chairman of the Board of Atari SA and Chairman of Ker Ventures LLC.

Impact on the accounts for the year: Interest expense amounts to €151.60 in the accounts of Atari SA.

Reasons for the interest of the agreement for the company: This agreement allowed Atari SA to honor its commitment to Alden, within the short time frame provided for in the agreement.

€2 million loan from Ker Ventures LLC

Your Board of Directors has authorized, as of July 13, 2016, in connection with the termination of the dispute between Atari SA and Alden and the signing of a settlement agreement with Alden, a loan agreement for €2 million in favor of Atari SA in order to enable it to make a payment of €4.5 million to Alden, as provided for in the settlement agreement. This loan, maturing on January 31, 2018, bears interest at a rate of 10% per annum and provides for the free award of 4,117,647 warrants of your company at a subscription price of €0.17, allowing subscription for an equivalent number of shares at any time over 5 years. The estimated overall yield of this loan is 17.65% the year after integration of the value of these warrants. There is also a commitment fee for subscribing for a capital increase at a price of €0.17 per share before December 31, 2016, remunerated at 1% i.e., €20,000 payable by surrender of shares of your company.

Person involved: Frédéric Chesnais as Chairman of the Board of Atari SA and Chairman of Ker Ventures LLC.

Impact on the accounts for the year: The loan has been repaid early as of November 23, 2016. Over the financial year, Atari SA recorded an interest expense of €66,373.95 and commitment fees of €20,000.

Reasons for the interest of the agreement for the company: This agreement allowed Atari SA to honor its commitment to Alden, within the short time frame provided for in the agreement.

€500,000 loan by Alexandre Zyngier - HZ Investments

Your Board of Directors has authorized, as of July 13, 2016, in connection with the termination of the dispute between Atari SA and Alden and the signing of a settlement agreement with Alden, a loan agreement for €500,000 in favor of Atari SA, granted by Alexandre Zyngier via the HZ Investment entity which he controls, in order to enable it to make a payment of €4.5 million to Alden, as provided for in the settlement agreement. This loan, maturing on January 31, 2018, bears interest at a rate of 10% per annum and provides for the free award of 1,029,412 warrants of your company at a subscription price of €0.17, allowing subscription for an equivalent number of shares at any time over 5 years. The estimated overall yield of this loan is 17.65% the year after integration of the value of these warrants. There is also a commitment fee for subscribing for a capital increase at a price of €0.17 per share before December 31, 2016, remunerated at 1% i.e., €5,000 payable by surrender of shares of your company.

Person involved: Alexandre Zyngier as a member of the Board of Directors of Atari SA and an executive of HZ Investments.

Impact on the accounts for the year: The loan has been repaid early as of November 23, 2016. Over the financial year, Atari SA recorded an interest expense of €16,215.39 and commitment fees of €5,000.

Reasons for the interest of the agreement for the company: This agreement allowed Atari SA to honor its commitment to Alden, within the short time frame provided for in the agreement.

Done in Lyon and Courbevoie, August 1, 2017

The Statutory Auditors

DELOITTE & ASSOCIES	GERARD BADIN
JLS PARTNERS	JACQUES SULTAN

REPORT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE AND INTERNAL CONTROL

This report is prepared in accordance with Article L. 225-37 of the French Commercial Code. Its purpose is to report on the conditions for preparing and organizing of the work of the Board of Directors, the principles and rules adopted by the Board of Directors to determine the compensation and benefits of all kinds granted to corporate officers, limitations to the powers of the Chief Executive Officer, and the internal control and risk management procedures put in place by the Company.

For the preparation of this report, the Company is now referring to the MiddleNext Corporate Governance Code of September 2016 for small and mid-caps, which appears to be better adapted to the company, given its size and shareholding structure. This code is available on the website of MiddleNext (www.middlenext.com).

This report refers to the "Board of Directors' Report on Group Management" contained in the Company's Reference Document for the year ended March 31, 2017 with respect to the publication of the information mentioned in Article L. 225-100-3 of the French Commercial Code relating to the capital structure of the Company and the elements likely to have an impact in the event of a public offering.

Pursuant to Article L. 225-37 paragraph 10, this report has been approved by the Board of Directors at its meeting dated August 1, 2017. The information in this report is broken down as follows:

- Composition and conditions for preparing and organizing the work of the Board of Directors
- Limitation of the powers of the Chief Executive Officer
- Internal control
- Principles and rules for compensation and benefits granted to corporate officers
- Publication of the information provided for in Article L. 225-100-3 of the French Commercial Code
- Specific terms and conditions relating to the participation of shareholders in the General Meeting.

PREAMBLE

The Group now has 18 employees: 2 in Paris and 16 in New York. The procedures are much lighter while covering the fundamental functions of the company's management.

At its meeting on March 16, 2017, the Company's Board of Directors decided to adopt the MiddleNext Corporate Governance Code of September 2016 for small and mid-caps (the "MiddleNext Code") as a reference code for the Company in terms of corporate governance, considering that it is the most suitable for its size and the structure of its shareholding. This code is available on the website of MiddleNext (www.middlenext.com).

The MiddleNext code contains points of vigilance which call to mind the questions that the Board of Directors must ask itself for the good functioning of the governance.

As of the date of publication of this report, the Company has not complied with all the recommendations of the MiddleNext Code. In accordance with the provisions of paragraph 7 of Article L. 225-37 of the French Commercial Code, this report specifies the provisions of the MiddleNext Code that have been rejected and explains the reasons why they were rejected.

Thus, the Company considers that it is not in conformity with the following recommendation:

- Compensation of directors: the total amount of directors' fees is allocated to directors equally. Indeed, the company considers that, even if a director cannot participate in a meeting of the Board, his or her responsibility remains engaged. In addition, directors devote time to their duties outside the board.

1. COMPOSITION AND CONDITIONS FOR PREPARING AND ORGANIZING THE WORK OF THE BOARD OF DIRECTORS

1.1 General Management

The Company is a French *société anonyme* (corporation) with a Board of Directors. The functions of Chairman of the Board of Directors and Chief Executive Officer are not separated.

1.2 Composition of the Board of Directors

The Board of Directors is composed of four directors, 50% of whom are independent directors within the meaning of Recommendation No. 3 of the MiddleNext corporate governance code.

The members of the Board of Directors are:

- - Frédéric Chesnais, Chairman and Chief Executive Officer, non-independent director
- - Erick Euvrard, independent director
- - Alyssa Padia-Walles, independent director
- Alexandre Zyngier, non-independent director

Since April 1, 2016, Frank E. Dangeard has been a non-voting Board member (this is an unpaid position).

In accordance with Recommendation No. 1 of the MiddleNext Code, executive directors do not exercise more than two other directorships in listed companies outside the Atari Group.

1.3 Balanced Representation of Women and Men on the Board of Directors

The system set up by law, introducing a minimum representation threshold of 40% for members of the Board of Directors and the Supervisory Board of companies whose shares are admitted to trading on a regulated market, applies from 1 January 2017. The composition of the Board of Directors of the Company shall, at the end of the general meeting to approve the accounts of March 31, 2017, comply with the provisions of Law No. 2011-103 of January 27, 2011 relating to the balanced representation of women and men on boards of directors and supervisory boards and on workplace equality.

1.4 Ethics of the Directors

In accordance with Recommendation No. 1 of the MiddleNext Code, each director is made aware of the responsibilities incumbent on him or her at the time of his appointment and is encouraged to observe the rules of ethics relating to his or her directorship.

Directors must comply with the legal rules governing multiple directorships, inform the Board in the event of a conflict of interest occurring after obtaining a directorship, be diligent in attending Board and General Meeting meetings, and ensure that they have all the necessary information on the agenda of the Board meetings before making any decision.

Directors are required to respect confidential information given as such by the Chairman of the Board of Directors.

1.5 Conditions for Preparing and Organizing the Work of the Board of Directors

The Board of Directors validates the Company's strategic guidelines, examines the budget, the financing terms, and more generally all important matters are referred to it in accordance with Recommendation No. 5 of the MiddleNext code.

The Board of Directors of the Company met 15 times during the period from April 1, 2016 to March 31, 2017 with an average attendance rate of directors of 95%. All Board meetings were chaired by its Chairman. The secretary of the Board attended and, depending on the subjects discussed, so did the statutory auditors, the Group's managers or third-party experts.

The Board of Directors meets as often as the interests of the company require and at least four times a year in accordance with Recommendation No. 5 of the MiddleNext Code.

The Board of Directors also met four times in an "Executive Session" (excluding Frédéric Chesnais) to review the situation of the Company and the compensation of Frédéric Chesnais.

In accordance with Recommendation No. 6 of the MiddleNext Code, the Board of Directors is assisted by two standing committees: the Audit Committee and the Appointments and Compensation Committee.

- The Audit Committee assists the Board of Directors in the review and audit of financial statements and the verification of the clarity and accuracy of information provided to shareholders and financial markets. As of March 31, 2017, the Audit Committee consisted of two members. Chaired by Erik Euvrard, independent director, it included Alexandre Zyngier. During the 2016/2017 financial year, the Audit Committee met before the board of directors' meetings (the attendance rate was 100%) to handle accounting and financial matters.
- The Appointments and Compensation Committee assists the Board of Directors in its duty to oversee the Company's compensation policy. As of March 31, 2017, the Appointments and Compensation Committee was composed of two members. Chaired by Alyssa Padia Walles, independent director, it included Frédéric Chesnais. During the 2016/2017 financial year, the Appointments and Compensation Committee met three times (the attendance rate was 100%).

2. LIMITATION OF POWERS OF THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer represents the Company in its dealings with third parties.

In accordance with Recommendation 4 of the MiddleNext Code, all documents and information necessary for the assignment of the directors have been communicated to them or made available in sufficient time prior to the meetings of the Board. In addition, each director may supplement his information on his own initiative, with the Chairman and Chief Executive Officer being permanently at the disposal of the Board of Directors to provide explanations and significant information.

At each Board meeting, the Chief Executive Officer reports on current operations and significant developments affecting the Company.

However, the Interior Regulations of the Board of Directors provide that the prior authorization of said Board is necessary for the following operations:

- The creation of joint ventures or the acquisition of activities worth more than €750,000, the acquisition of participating interests or activities or the signing of joint venture agreements whenever the operation involves more than €750,000
- The sale or disposal of activities or assets for more than €750,000 , the sale of any participating interest or activity involving more than €750,000
- Mergers or proposed mergers concerning the Company or, in general, all transactions involving the assignment or sale of all or substantially all of the assets of the Company
- In the event of litigation, the signing of any negotiated agreement or friendly settlement or the acceptance of a negotiated settlement, whenever the amount exceeds €750,000
- The granting of guarantees on the assets of the Company, whenever the guaranteed obligation or the value of the collateral is greater than €750,000
- The signing of any licensing or intellectual property agreement, whenever the amount involved is greater than €1 million

3. INTERNAL CONTROL

Internal control is a process implemented by the Chief Executive Officer and the officers, under the control of the Board of Directors, to provide reasonable assurance as to the achievement of the following objectives:

- The proper functioning of the Company's internal processes
- The realization and optimization of operations
- The reliability of financial transactions
- Compliance with applicable laws and regulations

One of the objectives of the internal control system is to prevent and control the risks arising from the Company's business and the risks of errors or fraud, particularly in accounting and financial matters. Like any control system, however, it cannot provide an absolute guarantee that these risks are completely eliminated.

Given the restructuring of the group, the above rules have been applied to a reduced whole. All teams are limited in size, which may represent a risk of segregation of duties.

It should be noted that the management team (financial and legal) is composed of 2 people. This can represent a risk of segregation of duties. However, the flows relating to subsidiaries within the scope of consolidation are fully identifiable by management and governance bodies (notably the Board of Directors and the Audit Committee) and are analyzed regularly.

4. PRINCIPLES AND RULES FOR COMPENSATION AND BENEFITS GRANTED TO CORPORATE OFFICERS

The Appointments and Compensation Committee, made up of two directors, one of whom is independent, is responsible for making proposals to the Board of Directors regarding the Group's compensation (including executive compensation) and the award of stock purchase or subscription options or of bonus shares.

The policy on compensation and benefits of all kinds granted to the Company's executive officers is in accordance with Recommendation No. 13 of the MiddleNext Code. Indeed, the principles for determining compensation meet the criteria of completeness, balance, benchmark, consistency, readability, measurement and transparency.

5. PUBLICATION OF THE INFORMATION PROVIDED FOR IN ARTICLE L. 225-100-3 OF THE FRENCH COMMERCIAL CODE

The "Board of Directors' Report on Group Management," included in the Reference Document, contains the information required by Article L. 225-100-3 of the French Commercial Code.

6. SPECIFIC TERMS AND CONDITIONS RELATING TO THE PARTICIPATION OF SHAREHOLDERS IN THE GENERAL MEETING.

The specific terms and conditions relating to the participation of the shareholders in the General Meeting are set out in Article 19 of the Company's Articles of Incorporation, which articles are posted online at the disposal of the public on the Company's website.

Frédéric Chesnais - Chairman of the Board

STATUTORY AUDITORS' REPORT PREPARED IN APPLICATION OF ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE, ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF ATARI

Year ended March 31, 2017

To the shareholders,

In our capacity as statutory auditors to the accounts of the company ATARI and pursuant to Article L.225-235 of the French Commercial Code, we present to you our report on the report prepared by the Chairman of your company in accordance with Article L.225-37 of the French Commercial Code for the financial year ended March 31, 2017.

It is the responsibility of the Chairman to prepare and submit to the Board of Directors for approval a report outlining the internal control and risk management procedures put in place within the company and giving the other information required by Article L.225-37 of the French Commercial Code, relating in particular to the system of corporate governance.

It is our responsibility:

- To communicate to you the observations that we see fit to make on the information contained in the Chairman's report concerning the internal control and risk management procedures relating to the preparation and processing of accounting and financial information, and
- to certify that the report contains the other information required by Article L.225-37 of the French Commercial Code, it being specified that it it is not up to us to verify the sincerity of this other information.

We have conducted our assignment in accordance with the professional standards applicable in France.

Information on the Internal Control and Risk Management Procedures Relating to the Preparation and Processing of Accounting and Financial Information

The professional standards require that we perform the necessary procedures to assess the fairness of the information concerning the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the Chairman's report. These procedures consist in particular of:

- Becoming familiar with the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information underlying the information presented in the Chairman's report, as well as the existing documentation
- Taking note of the works that have produced this information and the existing documentation
- Determining whether the major deficiencies in internal control relating to the preparation and processing of the accounting and financial information that we would have identified in the context of our assignment are appropriately reported in the Chairman's report.

Based on this work, we have no comments to make on the information concerning the Company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report of the Chairman of the Board of Directors, drawn up in accordance with Article L.225-37 of the French Commercial Code.

Other Information

We certify that the report of the Chairman of the Board of Directors includes the other information required in Article L.225-37 of the French Commercial Code.

Lyon and Paris, August 1, 2017

The Statutory Auditors

DELOITTE & ASSOCIES	GERARD BADIN
JLS PARTNERS	JACQUES SULTAN

PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENT AND THE ANNUAL FINANCIAL REPORT

PERSON RESPONSIBLE FOR THE REFERENCE DOCUMENTTAKING ON THE RESPONSIBILITY FOR THE REFERENCE DOCUMENT

RESPONSIBLE PERSON

Frédéric Chesnais, Chief Executive Officer

DECLARATION

I certify, after taking all reasonable measures, that the information contained in this Reference Document filed on August 3, 2017 with the AMF is, to the best of my knowledge, accurate and does not contain any omission that would alter its scope.

I certify that, to the best of my knowledge, the accounts for the past year have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position, and results of the Company and of all the companies included in the consolidation, and that the management report on pages 12 to 39 of this document presents a faithful representation of the evolution of the business, results, and financial position of the company and all the companies included in the consolidation, as well as a description of the main risks and uncertainties they face.

I have obtained a letter of completion from Deloitte & Associés et JLS Partner, the statutory auditors, upon completion of their assignment ("completion letter"), in which they state that they have verified the information on the financial position and the accounts given in this document, and that they have read this document in its entirety.

The financial information presented in this Reference Document has been the subject of reports by the statutory auditors appearing on pages 75, 95, 114, and 121 of this Reference Document for the 2016/2017 financial year, which include:

<u>In respect of the consolidated financial statements</u>:

- An observation relating to the general principles:

  "Without calling into question the opinion expressed above, we draw your attention to note 2.1 'General Principles,' which recalls that the consolidated financial statements were prepared as of March 31, 2017 in accordance with the rules applicable to a going concern."

- An observation relating to the lack of social and environmental information in the management report.

<u>In respect of the individual financial statements:</u>

- An observation relating to the principles used in preparing the financial statements:

  "Without calling into question the opinion expressed above, we draw your attention to note 2.1 'Principles Used in Preparing the Financial Statements,' which recalls that the financial statements were prepared as of March 31, 2017 according to the rules applicable to a going concern."

- An observation relating to the lack of social and environmental information in the management report.

For information, the statutory auditors' observations on the financial statements for the 2015/2016 financial year were as follows:

<u>In respect of the consolidated financial statements</u>:

- An observation relating to the general principles:

  "Without calling into question the opinion expressed above, we draw your attention to note 2.1 to the consolidated financial statements, 'General Principles,' which recalls that the consolidated financial statements were prepared as of March 31, 2016 in accordance with the rules applicable to a going concern. This note sets out the future prospects of the group and the conditions under which the disputes between the group and ALDEN were settled by an agreement dated July 12, 2016."

- An observation relating to the lack of social and environmental information in the management report.

<u>In respect of the individual financial statements:</u>

- An observation relating to the principles used in preparing the financial statements:

  "Without calling into question the opinion expressed above, we draw your attention to note 2.1 to the financial statements, 'Principles Used in Preparing the Financial Statements,' which recalls that the financial statements were prepared as of March 31, 2016 according to the rules applicable to a going concern. This note sets out the future prospects of the Company and the conditions under which the disputes between the Company and ALDEN were settled by an agreement dated July 12, 2016."

- An observation relating to the lack of social and environmental information in the management report.

For information, the statutory auditors' observations on the financial statements for the 2014/2015 financial year were as follows:

<u>In respect of the consolidated financial statements</u>:

- An observation relating to the highlights of the year, general principles, guarantees, and relationship with related parties:

  "We draw your attention to the following notes to the consolidated financial statements: 1 'Highlights of the Period,' 2.1 'General Principles,' 13.4 'Guarantees and Covenants,' and 27.1 'Relationship with Bluebay Recovery Fund, Alden, Ker Ventures, and Their Respective Affiliates.' These notes recall that the consolidated financial statements were prepared as of March 31, 2015 in accordance with the rules applicable to a going concern. They set out the future prospects of the company as well as the legal disputes and contentious proceedings between ATARI and ALDEN. In this context, ATARI was granted, by a decision of the Paris Commercial Court dated July 23, 2015, a period of two years during which it may postpone any payment in respect of the ALDEN loan pursuant to Article 1244-1 of the French Civil Code. The going concern assumption could be called into question and the accounting convention adopted would be unsuitable in the event that Atari does not win the case."

- An observation relating to the lack of social and environmental information in the management report.

<u>In respect of the individual financial statements:</u>

- An observation relating to the significant events of the year, principles used, and commitments given:

  "We draw your attention to the following notes to the financial statements: 1 'Significant Events of the Financial Year,' 2.1 'Principles Used in Preparing the Financial Statements,' and 23.1 'Commitments Given.' These notes recall that the financial statements were prepared as of March 31, 2015 in accordance with the rules applicable to a going concern. They set out the future prospects of the company as well as the legal disputes and contentious proceedings between ATARI and ALDEN and the guarantees granted by your company to its subsidiaries for the repayment of their financial debt according to the contractually stipulated deadlines. In this context, ATARI was granted, by a decision of the Paris Commercial Court dated July 23, 2015, a period of two years during which it may postpone any payment in respect of the ALDEN loan pursuant to Article 1244-1 of the French Civil Code. The going concern assumption could be called into question and the accounting convention adopted would be unsuitable in the event that Atari does not win the case."

- An observation relating to the lack of social and environmental information in the management report.

August 1, 2017

Frédéric Chesnais,

Chief Executive Officer of Atari SA

PARTIES RESPONSIBLE FOR AUDITING THE ACCOUNTS

STATUTORY AUDITORS

Deloitte & Associés

Member of the Regional Company of Statutory Auditors of Versailles
Represented by Gérard Badin
185, avenue Charles de Gaulle 92203 Neuilly sur Seine, France
Appointed in October 1993. Reappointed at the General Meetings of December 16, 1999, October 20, 2005, and September 30, 2011 for a period of six financial years.
Appointment expires: At the Meeting to approve the financial statements for the year ended 2017.

JLS Partner

Member of the Regional Company of Statutory Auditors of Paris
Represented by Jacques Sultan
12 Boulevard Raspail 75007 Paris
Appointed in September 2016 for a period of six financial years.
Appointment expires: At the General Meeting to approve the financial statements for the year ended 2022.

ALTERNATE STATUTORY AUDITORS

B.E.A.S. SARL

7/9 Villa Houssaye 92200 Neuilly sur Seine, France
Appointed in December 1999. Reappointed at the General Meetings of October 20, 2005 and September 30, 2011 for a period of six financial years.
Appointment expires: At the Meeting to approve the financial statements for the year ended 2017.

Daniel Chriqui

Member of the Regional Company of Statutory Auditors of Paris
5, rue Plumet 75015 Paris
Appointed in September 2016 for a period of six financial years.
Appointment expires: At the General Meeting to approve the financial statements for the year ended 2022.

INFORMATION POLICY

PARTIES RESPONSIBLE FOR INVESTOR INFORMATION

Frédéric Chesnais - Tel.: + 33 (0) 1 83 64 61 57

Philippe Mularski - Tel.: + 33 (0) 1 83 64 61 57

INVESTOR RELATIONS

Philippe Mularski - Tel.: + 33 (0) 1 83 64 61 57 – Email: investisseurs@atari-sa.com

All information relating to the Company's business and financial position is available online at http://www.atari-investisseurs.fr

PROJECTED CALENDAR (FOR INFORMATION ONLY)

General Shareholders' Meeting: September 29, 2017

The dates mentioned above are provided for information only and are subject to change. To obtain the final dates, the reader is invited to contact the Company directly.

ANNUAL INFORMATION DOCUMENTS

The persons responsible for this Reference Document certify that, during the period of its validity, the following documents may be consulted by any person on the Company's website (www.atari-investisseurs.fr):

Under the heading "Financial Publications":

- Annual Financial Reports/Reference Documents
- Semi-annual Financial Reports

Under the heading "Stock":

- Monthly information on capital and voting rights
- Information on share redemptions
- Description of share redemption programs

Under the heading "General Meetings":

- General Meeting Documents for the last ten years
- Latest Articles of Incorporation

CROSS-REFERENCE TABLE FOR THE REFERENCE DOCUMENT

In order to facilitate the reading of this annual report registered as a reference document, the concordance table presented below makes it possible to identify the main information provided for in Appendix 1 to European Commission Regulation No. 809/2004. (NA = not applicable)

CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

In order to facilitate the reading of the Annual Financial Report, the following table organized by subject makes it possible to identify the main information provided for in Article L.451-1-2 of the French Monetary and Financial Code.

www.atari-investisseurs.fr

ATARI
78 rue Taitbout – 75009 PARIS - FRANCE