

INFOGRAMES TO ACCELERATE ITS TRANSFORMATION INTO A CONTENT-LED ONLINE GAME COMPANY BY SELLING ITS REMAINING 66% STAKE IN “DISTRIBUTION PARTNERS” TO STRATEGIC PARTNER NAMCO BANDAI GAMES EUROPE

Lyon, France, March 25, 2009 –Infogrames Entertainment S.A (“Infogrames”) today announces that, under the terms of the strategic partnership with Namco Bandai Games Europe S.A.S. (“Namco Bandai”), it has exercised its “put option” to divest its remaining 66% stake in Distribution Partners – the joint venture sales, marketing and retail distribution Company serving the video game industry in Europe, Asia, Australia and New Zealand.

Atari Europe decided to exercise the put option, based on a €60 million enterprise value of Distribution Partners, on a “cash free, debt free basis”, under the terms of the strategic partnership.

After the recently announced acquisition of leading MMO publisher Cryptic Studios, Inc., this transaction is a significant step towards the transformation of the company into an Online-centric game company, with continued access to a world-class global retail distribution organization.

This transaction generates a number of key strategic and immediate commercial benefits for Infogrames:

- Funds received upon completion of this transaction will provide Infogrames/Atari with further means to invest in game development, studio and publishing operations internally and with leading external development partners;
- Working capital required to service the needs of distribution operations will be sharply reduced;
- An acceleration towards the fast-growing online game segment of the business;
- Atari will continue to benefit from Distribution Partners’ strong and efficient distribution network for a five-year period in Europe, Asian countries (excluding Japan), Africa, Middle Eastern countries, Central and South America, Australia and New Zealand.
- Atari’s management and operations will now be 100% dedicated to establishing the company as a leading online game company;

Commenting on this transaction, David Gardner, Infogrames’ CEO stated: *“This announcement is the culmination of our strategic relationship with Namco Bandai Games Europe who have proven to be an outstanding partner in creating the Distribution Partners business. The exercise of the put option will now allow Atari to focus its financial resources and creative energy exclusively on developing and publishing online-enabled games, shifting our operations towards servicing recurring revenues and a higher-margin online business model while still benefiting from access to Distribution Partners strong international distribution network”*

Infogrames will receive cash payment of the transaction upon closing, which is expected to occur within the 4 next months, after the approval by the competent antitrust authorities - which management does not expect to be withheld. In addition, as from the closing of the transaction until the end of the five-year period starting from the date of the closing of the transaction, Distribution Partners will benefit from exclusive physical packaged-goods distribution rights for video games produced by Infogrames in Europe, Asian countries (excluding Japan), Africa, Middle eastern countries, Central and South America, Australia and New Zealand.

This transaction will imply that Infogrames will account for Distribution Partners as discontinued operations in its full year 2008/2009 financial statements, as per IFRS 5. As a result, Infogrames revenues to be published on May 13, 2009 will not include Distribution Partners revenues, which will be published separately.

About Infogrames Entertainment and Atari:

The Infogrames group, including the Atari brand and the massively multiplayer online game company Cryptic Studios, is a global producer, publisher and distributor of interactive entertainment software for all market segments and all interactive game platforms including consoles from Microsoft, Nintendo and Sony, advanced smartphones, Personal Computers, web and online. Its games are sold in more than 60 countries through an international distribution network and direct to consumers via www.atari.com.

Atari’s extensive catalogue of popular games is based on original franchises (Test Drive, Alone in the Dark, V-Rally, My Horse & Me, Backyard Sports franchise, Total Annihilation, Outcast etc.), Cryptic Studios titles (StarTrek Online, Champions Online), publishing properties (Ghostbusters, The Chronicles of Riddick, The Witcher, Race Pro etc.), international licenses (Dragon Ball Z, Dungeons & Dragons, Jamie Oliver etc.) and classic games covering the entire history of the video game industry (Pong, Missile Command, Asteroids etc).

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