



Atari SA and BlueBay reached an agreement for the restructuring of the debt and capital structure of the group

- Extinguishment of the €20.9 million Credit Facility Agreement
 - Cancellation of the majority of the dilutive instruments
- €20 million capital increases to be submitted to the vote of Atari shareholders (of which €10 million with preferential subscription right)

Paris, 28 September 2012 - Atari SA (the « **Company** ») and its main shareholders, The BlueBay Value Recovery (Master) Fund Limited, and The BlueBay Multi-Strategy (Master) Fund Limited (together « **BlueBay** »), reached an agreement following their negotiations regarding the restructuring of the debt and capital structure of the Atari group.

This agreement is the first step of a global financial restructuring plan to be presented to the shareholders of Atari during an upcoming Extraordinary General Meeting with the aim of finalizing it by the end of the year. This plan will notably include a global capital increase of €20 million to finance the cash repayment of the Credit Facility Agreement entered into with BlueBay and the development of the Company. A minimum of €10 million would be open to all shareholders and up to €10 million would be reserved to certain specific financial investors.

This financial restructuring would represent a major milestone for the Company as, at completion, the Company would benefit from

- 1/ A more balanced group of shareholders, including stable financial and institutional shareholders;
- 2/ A strengthened balance sheet with no debt under the existing Credit Facility Agreement and significant available cash position;
- 3/ A simplified capital structure, comprised essentially of ordinary shares through a restructuring of the ORANEs (see below);

This plan aligns with the rigorous operational restructuring of Atari with a revised strategy focused on digital games and licensing. Following years of significant losses stemming from its lower margin retail distribution business, the Company has returned to profitability through its shift toward digital games and licensing revenues and strong cost management. The company has recently entered the mobile games space and plans to release 4 to 6 new titles in the next six months. This follows the continued success of its first title, Atari's Greatest Hits which has amassed more than 8 million downloads to date.

BlueBay's current interests in the Atari group comprise (i) 8,616,298 ordinary shares representing approximately 29.2% of the outstanding share capital of the Company, (ii) ORANEs redeemable into a total amount of 34,650,399 shares of the Company and 1,663,292 out of the money share warrants expiring 31 December 2012 and (iii) a €20.9 million Credit Facility Agreement with Atari Europe (the "**Credit Facility Agreement**").

The non-exclusive agreement (the « **Restructuring Agreement** ») entered into by BlueBay and the Company consists in the following principles:

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1/ The €20.9 million Credit Facility Agreement would be completely extinguished (in principal and interest) as The BlueBay Value Recovery (Master) Fund Limited would forgive €10.9 million provided that the Company repays it the remaining € 10 million.

2/ BlueBay would support the cancellation (or quasi-cancellation) of the dilutive effect of the ORANEs held by them, in order to simplify the structure of the Company's capital.

As a consequence, and pursuant to the Restructuring Agreement, the Company has agreed to convene an Extraordinary General Meeting to be held no later than November 30, 2012, in order to obtain authorization, *inter alia*, to implement the following steps:

1/ A rights issue of a minimal amount of €10 million, open to all shareholders (the « **Rights Issue** »). The Rights Issue will be at a price subject to a 47% discount to the trading price at the close of the stock exchange on 27 September 2012 (i.e. EUR 0.60) and will be fully underwritten pursuant to an appropriate agreement to be entered into with the Company's financial advisor no later than November 15, 2012;

2/ A capital increase reserved to certain specific financial investors of up to €10 million (the « **Reserved Capital Increase** ») to be identified pursuant to a structured process, in order to constitute a diversified shareholder base including financial and/or institutional investors and finance the future development of the Company. The price per share of the Reserved Capital Increase will not be lower than the Rights Issue price.

3/ A transaction allowing holders of ORANEs who so choose, and notably BlueBay, to exchange such instruments for a limited number of shares, or any similar transaction resulting in the same effect;

These capital increases will take place as soon as authorization has been received from shareholders and regulatory authorities. To the extent permitted by law, BlueBay would vote in favor of the capital increases proposed by the Company;

As a result of these share capital increases, in which BlueBay shall not participate, BlueBay's direct shareholding shall be diluted to approximately 14% assuming the Rights Issue and the Reserved Capital Increase are fully subscribed, and on the basis that the dilutive effect of existing ORANEs held by BlueBay is cancelled (or quasi-cancelled).

About Atari SA

Atari (www.atari.com) is a multi-platform, global interactive entertainment and licensing company. The original innovator of video gaming, founded in 1972, Atari owns and/or manages a portfolio of more than 200 games and franchises, including world renowned brands like Asteroids®, Centipede®, Missile Command®, Pong®, Test Drive®, Backyard Sports®, Ghostbusters®, and Rollercoaster Tycoon®. Atari capitalizes on these powerful properties by delivering compelling games online (i.e. browser, Facebook® and digital download), on smartphones and tablets and other connected devices. The Company also develops and distributes interactive entertainment for video game consoles from Microsoft, Nintendo and Sony. As a licensor, Atari extends its brand and franchises into other media, merchandising and publishing categories.

For more information: www.atari.com

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