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INFOGRAMES

Entertainment

SETTLEMENT/DELIVERY OF ORANE BONDS

- **Entire €150-million bond issue subscribed**
- **Improved financing and investing capacity to sustain the Group's relaunch strategy**

Lyon, France, January 4, 2008 – Infogrames Entertainment announced today the success of its issue of bonds redeemable in new or existing shares (ORANE), first offered on December 19, 2007, for a total of 150 million euros.

Of the total of 1,500,000 ORANE bonds issued, 527,472, or 35.2%, were purchased by existing shareholders during the priority subscription period. The other 972,528 bonds were sold through a public offering in France and a private offering to institutional investors. All subscriptions by the public and institutions were fully allocated, with the exception of those of BlueBay.

BlueBay subscribed for 359,815¹ ORANE bonds during the priority period set aside for existing shareholders. After applications were received from existing shareholders, from the public and under the private offering, BlueBay further offered to purchase 967,916 bonds under the offering to institutions.

By subscribing for 88.5% of the ORANE issue, BlueBay again demonstrated its support for Infogrames and its trust in the Company's ability to grow and expand in its sector.

The Company's share ownership and voting rights remain unchanged following the bond issue.

However, in the event that all ORANE bonds were to be redeemed for new shares and if BlueBay were to exercise all of the share warrants it currently holds, it would own approximately 59.8% of the Company's shares, entitling it to 59.7% of voting rights.

¹ The BlueBay Value Recovery (Master) Fund subscribed for 356,937 ORANE bonds and The BlueBay MultiStrategy (Master) Fund subscribed for an additional 2,878.

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The settlement and delivery of the ORANE bonds took place today and they will start trading on Monday, January 7, 2008 on the Eurolist market of Euronext Paris under ISIN code FR0010560615.

The issue generated net proceeds of more than 102 million euros, following the partial prepayment to Banc of America of loans of approximately 41 million and after deducting the cost of the ORANE bond issue. The funds raised will be used to finance operations and investments.

The Company, with its improved investment capacity, now has the financial resources it needs to continue carrying out the key steps in its relaunch strategy, including:

- relaunching the Group's publishing business,
- exploiting the Group's intellectual properties
- developing and licensing the Atari trademark

Commenting on the bond issue, chairman and chief executive officer Patrick Leleu declared: "These added financial resources will enable Infogrames to improve its financial situation. Above all, they provide our Group with more financing and investing capacity. This will contribute to our current relaunch efforts. Infogrames will henceforth concentrate on expanding its publishing catalog, implementing its trademark strategy and developing its online business."

About Infogrames Entertainment and Atari

Infogrames Entertainment (IESA), the parent company of the Atari Group, is listed on the Paris Euronext stock exchange (ISIN code: FR-0000052573) and has two principal subsidiaries: Atari Europe, a privately-held company, and Atari, Inc., a United States corporation listed on NASDAQ (ATAR).

The Atari Group is a producer, publisher and distributor of interactive entertainment software for all market segments and in all existing game formats (Microsoft, Nintendo and Sony) and on CD-ROM for PC. Its games are sold in more than 60 countries.

The Atari Group's extensive catalogue of popular games is based on original franchises (Alone in the Dark, V-Rally, Test Drive, etc.) and international licenses (Dragon Ball Z, Dungeons & Dragons, etc.).

For more information: <http://www.infogrames.com>

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