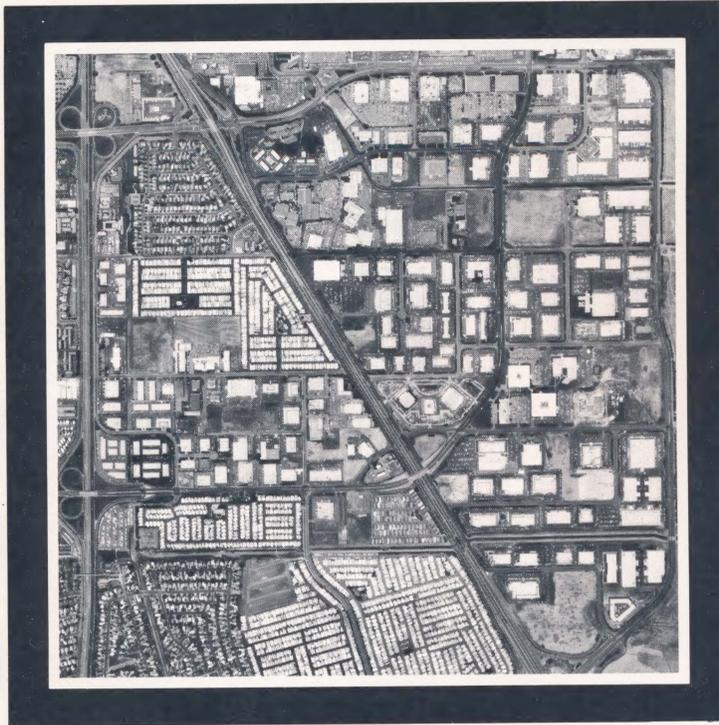




Facilities



FROM a dizzying altitude of 18,000 feet, the Silicon Valley appears as an intricate collage of industrial parks, airfields, shopping centers, suburbs and orchards. The southern end of San Francisco Bay becomes a crazy quilt of mud flats and salt evaporation ponds. Altogether, the pattern is not unlike a vast integrated circuit board.

Among the thousands of rooftops below, there are 29 buildings occupied by Atari which have more than a million square feet of floorspace. But this is only part of the Atari picture. In other parts of the world, Atari occupies an additional 300,000 square feet of offices, warehouses and manufacturing plants scattered from Europe to the Far East.

Obtaining these facilities and then moving Atari into them is the duty of the Atari Corporate facili-

ties department and its director, Gary Erickson. As a department, facilities includes maintenance and communications. But two groups—facilities engineering and the planning & design group—have the task of literally raising the roofs over our heads.

Atari facilities manager Arne Kaufman heads the planning and design group. He is also in charge of all "domestic" facilities, i.e., California. Manager Lee Nation has responsibility for "offsite" locations, which include El Paso, Puerto Rico and the international sites.

The two have their hands full. In California, 19 buildings have been added to Atari's complex over the past year. Three more buildings will be added by the end of 1981. In El Paso, construction is under way on a larger Consumer Electronics manufacturing plant; another Consumer Electronics plant was just opened in Puerto

Rico. The Coin-Op Games manufacturing plant in Ireland is in the process of expanding into three new buildings with combined floorspace of 150,000 square feet.

Every day an average of 50 work orders are received by the facilities department, according to Kaufman. "These range from moving a desk across the hall to moving a division across the street," he says. Over the next three months, Kaufman estimates that the department will move almost 500 employees into new locations. Usually, 20 to 25 people can be relocated

FACILITIES

in a day. A mass migration is impossible because the phone company is unable to reroute more than 20 phone lines a day.

Opening a new facility is not an easy process. It takes planning and coordination. And it takes time, a commodity that has grown more precious and fleeting as Atari continues to experience phenomenal growth.

Atari's physical expansion is a reflection of the increasing popularity of Atari products. In response to growing consumer demand, the Atari marketing departments request greater production from their divisions' manufacturing operations. Before the demand becomes so great that it exceeds the existing plants' capacity to supply the products, facilities is called in. It is the facilities department's job to either expand existing locations or establish new plants in new areas.

Where a new plant will be located depends in part on what products are to be manufactured and the location of the intended market. The Ireland plant, for example, supplies Atari coin-operated games for the European marketplace.

In establishing a facility outside Silicon Valley, Nation and Erickson will survey a variety of sites both in the U.S. and abroad. Accompanied by a representative of the Atari division requesting the new plant, Erickson will contact local governments for assistance in locating a site. Ideally, a plant should be located near transportation lines and have an available work force present.



Gary Erickson, Lee Nation and Arne Kaufman.

Nation makes sure that a proposed location has adequate utilities, communications and other services.

In most cases, Atari's facilities are leased.* For example, at the Moffet Industrial Park, where Atari's world headquarters and most of its California operations are located, the park's developers build an exterior structure, or "shell," which is then leased to Atari. The developer will complete the interior according to Atari's own specifications.

These specifications are worked out between whichever departments will occupy the building and the facilities planning & design group. Future tenants are asked to complete a detailed questionnaire which pinpoints each group's space needs. Questions include whether tenants need room for business libraries, files, storage, reception areas, computers, reproduction machines, and so on. The questionnaire not only ascertains the current size of a department, but the department's

anticipated growth as well.

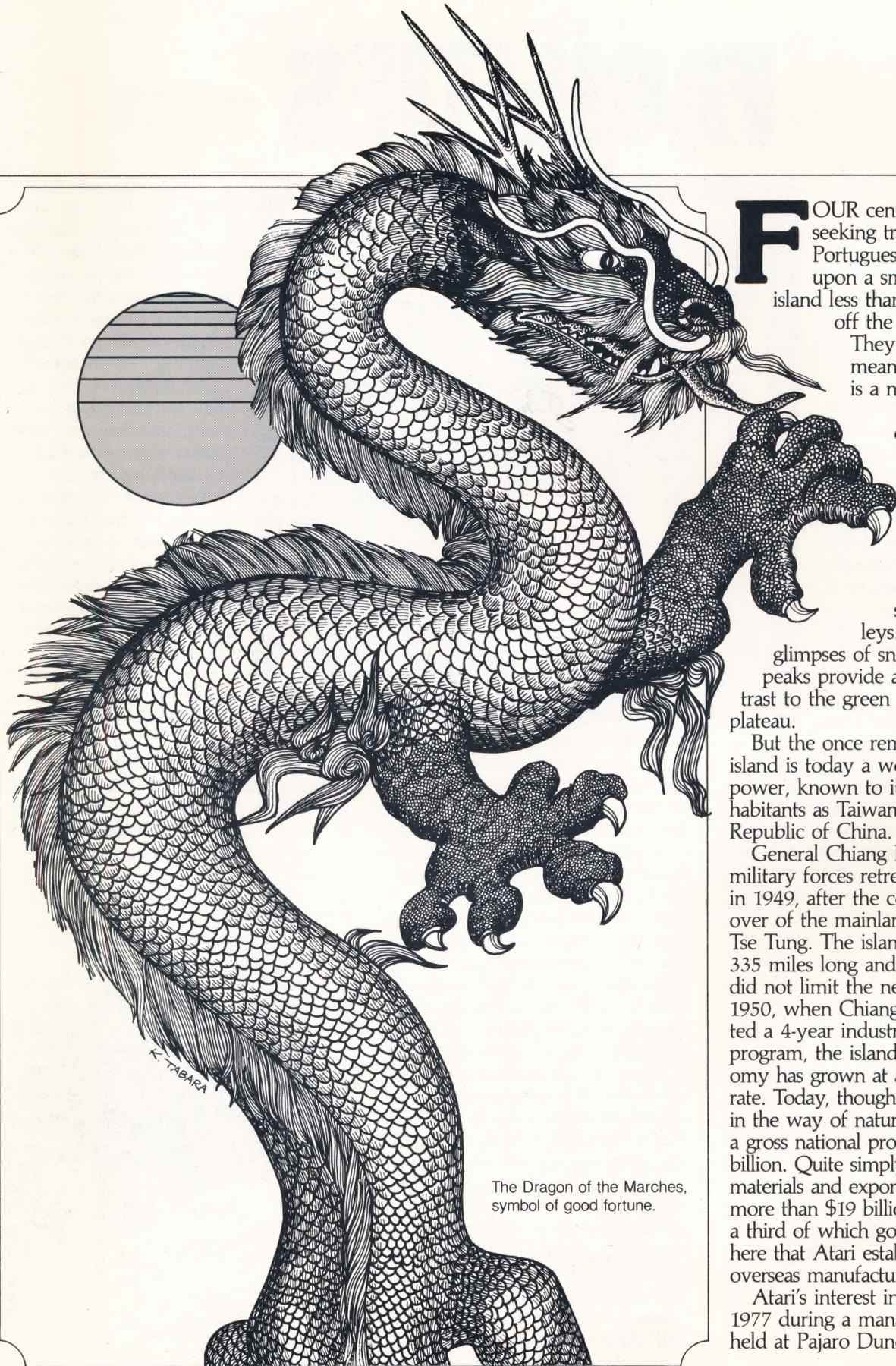
From the time the building shell is complete, it takes an average of five months to prepare the interior for occupancy: One month for design and planning, one month for paper work (building permits, environmental impact statements, etc.) and around three months for actual construction.

California has some of the strictest building codes in the world, according to Erickson. The standards that Atari adheres to for California construction, however, are voluntarily applied by the facilities department to all other Atari buildings around the world. "Regardless of

how little might be required as far as building codes in other countries, we always comply with California codes," says Erickson. "That way we know our buildings will be safe."



*Exceptions are buildings at 1272, 1265, 1215 and 1195 Borregas Avenue and 1320 Bordeaux Avenue in Sunnyvale, California, which are owned by Warner Communications, Inc.



The Dragon of the Marches, symbol of good fortune.

FOUR centuries ago, while seeking trade in the Orient, Portuguese sailors came upon a small, mountainous island less than a hundred miles off the coast of China.

They named it *Formosa*, meaning "beautiful." It is a name well-chosen.

Today, as they did hundreds of years ago, farmers and their water buffalo still tend rice paddies which stair-step up the sides of lush valleys. In the winter,

glimpses of snow on the higher peaks provide a striking contrast to the green of the central plateau.

But the once remote, agricultural island is today a world industrial power, known to its 18 million inhabitants as Taiwan, home of the Republic of China.

General Chiang Kai-shek and his military forces retreated to Taiwan in 1949, after the communist takeover of the mainland led by Mao Tse Tung. The island's small size—335 miles long and 90 miles wide—did not limit the new republic. Since 1950, when Chiang Kai-shek instituted a 4-year industrial development program, the island republic's economy has grown at an astounding rate. Today, though Taiwan has little in the way of natural resources, it has a gross national product of over \$40 billion. Quite simply, it imports raw materials and exports finished goods: more than \$19 billion worth a year, a third of which go to the U.S. It is here that Atari established its first overseas manufacturing operation.

Atari's interest in Taiwan began in 1977 during a management seminar held at Pajaro Dunes on the Califor-

TAIWAN

When Atari first sought a manufacturing site outside Silicon Valley, it looked to the west, and found the Far East.

nia coast. Richard Krieger, then materials manager for the Consumer Division, found himself discussing the future of Video Computer System™ (VCS™) manufacturing operations with Emanuel Gerard, one of the presidents of Warner Communications, Inc.

The VCS had just been introduced internationally and demand was expected to grow rapidly. Krieger suggested that Atari's international markets could best be served by establishing a new manufacturing operation overseas. He had made several business trips to the Far East, and was especially impressed with Taiwan's industrial environment.

After a number of meetings, Krieger submitted a proposal for an "off-site" manufacturing operation to be located on the island. The plan was accepted, and Krieger was named to the new position of director of Far East Operations. On December 1, 1977, he left for the Orient. By July 1978, subcontractors had been approved and production lines were rolling.

The subsequent success of the Taiwan project laid a firm foundation for future Atari overseas ventures. In Taiwan, manufacturing operations have grown steadily over the past three years. Well over half of the VCS units that Atari produces this year will come from Taiwan and be shipped to countries all over the world.

The Taiwan venture has received continual support from Atari headquarters in California. Walt Brunz, plastics process engineer, has made over a dozen trips to Taiwan from Silicon Valley. He provides technical service for plastics manufacturers

materials and components in Taiwan.

The Atari office, located in the capital city of Taipei, functions as liaison for the many "cottage" industries that assemble VCS units and accessories.

Subcontractors include plastic molders, cable and power supply manufacturers, switch makers and many others. Krieger estimates that Atari indirectly provides employment for 5,000 local Chinese.

Forty local people are directly employed at the liaison office in addition to Krieger (who is now a vice president) and Raymond Kunavich, engineering director for the Taiwan operations, who joined Atari in February 1980. Whereas Krieger generally handles the administrative end of the operations, Kunavich takes care of technical aspects. He keeps in close contact with the subcontractors, making sure quality production

subcontracted by Atari. Another stateside contributor to the Taiwan operation is Ron Budworth, director of product engineering for the Consumer Electronics Division. Budworth has been involved in the Far East operation from the start. He originally brought the first test instruments to Taiwan to check product quality and uniformity. He then trained operators to run and maintain those instruments. Now, he is the technical liaison between Taiwan and the U.S. operations. Budworth also acts as troubleshooter for any problems encountered by manufacturers of Atari's electrical



Downtown Taipei.

美商亞泰瑞公司



methods are maintained. The two Americans expatriates are aided by David Chiu, quality assurance director, who was Atari's first local employee in Taiwan.

The staff of 40 includes seven engineers and 24 inspectors who spend most of their time checking product quality. "The people here are very energetic, very eager to do a good job, and very pleasant to work with," says Kunavich.

The Taipei office opens at seven in the morning, Monday through Saturday. Any communication with the U.S. is made then, since at 7 a.m. in Taipei, it is 3 p.m. the preceding afternoon in California. (The U.S. is a day behind Taiwan because of the International Date Line.)

English is spoken in most business negotiations handled through the Taipei office. But Americans are not the only foreign presence in Taiwan. According to Kunavich, the foreign community is a potpourri of nationalities, including Germans, Indians, English, Danes, Japanese and French. The result is a bustling international business community which Taiwan has welcomed to its shores. The foreign investments have kept Taiwan's economy growing at better than six percent annually while holding unemployment below three percent.

With production of the VCS and accessories continuing to increase, Krieger and Kunavich are busier than ever in Taiwan finding more local vendors to supply parts and finished products. As long as demand dictates, the little island will remain a giant source of goods for Atari's international markets.



Upper left:(l. to r.) David Chiu, Richard Krieger and Raymond Kunavich. Upper right: Actress from Taiwan's Chinese opera company. Bottom: Members of Atari Taiwan office staff.

INTERFACE INTERFACE INTERFACE

PAUL Malloy has made a career in electronics manufacturing that spans almost 30 years. He's directed the manufacture of oscilloscopes, power tubes, digital instruments, microfiche systems, semiconductors and, for the past three years, Atari's Video Computer System™ and the ATARI 400™ and 800™ personal computers. As vice president of manufacturing for both the Computer and the Consumer Electronics divisions, it is his responsibility to see that demands for quality and quantity are met in supplying Atari's growing market.

ATARI 81: Is it true that the demand for Atari products is greater than our ability to manufacture and supply them?

Malloy: Right now, yes. Atari is growing at the most advanced rate of any company that I know. Although this past year manufacturing has tripled in size, demand for our products has quadrupled. In fact, this year we had to cut off sales the third week of March. It appears we could have sold more.

Getting enough tooling is one problem. We need over 20 different kinds of tools to make the VCS™ game alone, and it takes five to eight months to get these tools made and delivered. It can't be done any faster.

Another problem is finding enough sources for parts. What we don't make ourselves we obtain from outside manufacturers. There's always been a problem finding enough sources to have a good inventory of parts at all times.

One of the reasons Atari set up manufacturing sites in the Far East is because many of our material sources are there. This not only gives us greater access to materials and parts, but, in case there's any problem with a part, we can catch it at the source and inform the manufacturer almost immediately.

In a way, it's reassuring to think



PAUL MALLOY

that business is so good that it's hard to keep up with it. But our manufacturing sites in El Paso, Taiwan, Hong Kong and the new plant in Puerto Rico are already increasing production to the point that we should have no trouble meeting increased demand in the future.

A81: Is there a chance that we'll overshoot; that we'll grow too big for the market?

Malloy: I doubt it. Right now we have a major share of the video game business. But what's the penetration? Industry estimates show less than ten percent of the potential market. So, really, we've only scratched the surface.

A81: Will Atari manufacturing ever totally move out of Silicon Valley?

Malloy: No. The idea is for Silicon Valley to remain a developmental manufacturing center. Our engineering is closely aligned with the tech-

nology and application of semiconductors, and Silicon Valley is the semiconductor capital of the world. We'll design, develop, test and manufacture products here while they're in the developmental stage. As they become "runners," that is, as they develop to the point that we have uniform quality and repeatability in manufacture, then we might take them elsewhere in the U.S. or overseas, closer to their target markets.

A81: What's the future for Consumer Electronics and Computer manufacturing?

Malloy: Atari got to where it is today by being innovative, and we'll stay in front because we're continuing to be innovative. Just to catch up with the VCS, the competition has to make over 40 different games that are as attractive as ours.

I guess what I'm saying is that the key to the future of hardware manufacture is software. Software is our product-mover and our money-maker. We'll be able to sell software—games and programs—by making the VCS and the computer the most reliable products of their kind. We have a headstart. We build a high degree of quality and reliability into our products already.

If we can make a VCS that requires virtually no service whatsoever, then the consumer will be out there buying five to seven cartridges a year. It'll be like the razor blade business.

We're trying to do the same thing with the computer: make it so that it requires the least amount of service, and so it won't become obsolete any time soon. Our ATARI 800 computer already has the flexibility to change over to different operating systems on a plug-in basis. It has a number of years of potential use.

Obviously, our products may eventually become obsolete as we introduce new products to the marketplace. But that's part of our objective: to remain "state-of-the-art" in the consumer electronics field.



T'S
been a
comic theme
of television

and movies since the space race began back in the 50s: the brain child, with an IQ higher than both his parents' combined, sneering at the school teachers, ciphering logarithms on a giant computer while other, "normal" kids are out playing baseball.

But the fanciful has been fulfilled, and not just by odd adolescents with coke-bottle eyeglasses and a fluorescent pallor to their skin. Today, there are normal, healthy children across the country who have one hand on the keyboards of small, sophisticated personal computers, while the other hand may well be buried in the sweaty recesses of a baseball mitt.

In special programs at learning centers from the East to the West coasts, teachers are finding out not only that children are adept at using personal computers, but that computers may well be doing education a real service by rekindling kids' interest in learning.

The three Rs have not been replaced. Quite the contrary: readin' and 'ritin' and 'rithmetic are still the fundamentals of education. It's just that now they can be performed on a television monitor.

"The computer will be the paper of the future," predicts noted computer scientist Dr. Alan Kay, "and its keyboard will be the pencil." Dr. Kay was on hand recently for the opening of FUTURE CENTER, a permanent classroom and exhibit of the Capital Children's Museum (CCM) in Washington, D.C.

KIDS AND COMPUTERS



The CCM is a "hands-on" museum that encourages children to learn through doing. It is the only museum in Washington—and one of the few in the U.S.—to have children as its exclusive focus. The FUTURE CENTER is a new computer teaching arm of the museum, to which Atari has donated 30 ATARI 800™ personal computers along with a \$15,000 grant.

Using the ATARI 800 computers, the museum will hold classes, lectures and seminars in computer education. "The CCM is a particularly good environment for Atari to place the computers," explains Peter Nelson of Atari public relations. "The CCM is located between a Washington ghetto and Capitol Hill. This makes it accessible to a community that normally might not get exposure to computers, while at the same time it attracts people from all echelons of the national government."

Dr. Ted Kahn, who heads the newly founded Atari Institute for Educational Action Research, was also present at the FUTURE CENTER opening. "Atari has supported the FUTURE CENTER project as a model for bringing computer literacy to a broad sector of the population," he says. "In such an informal, enjoyable environment, both children and adults can learn about computers in many different ways. Some will play with computer exhibits, others will take classes on programming. Still others will just 'browse' among the available programs to find something of interest. FUTURE CENTER gives people different opportunities to take control of their own learning. This is the real advantage that computers bring to education."

On the West Coast, Atari has been involved with the Lawrence Hall of Science (LHS), a branch of the University of California at Berkeley. LHS is perched high atop Grizzly Peak, directly behind the

Berkeley campus, with a panoramic view of San Francisco Bay. Atari has donated 19 ATARI 800 computers to the Hall for use in various teaching programs for area children.

Batya Freedman, LHS computer science specialist, has organized an entire curriculum around the ATARI 800. Classes include "Art and the Computer," "Ms. Math (Math & Computers for Girls)," and "PILOT Your Own Computer." The latter is a class in using the PILOT computer language which was developed and tested at LHS in the early 70s and which is now taught exclusively on ATARI 800 computers. PILOT was originally designed for teachers to write programs for classroom instruction. But it was such an easy language to learn and use that, at LHS, PILOT has been taught to children since 1973.

Atari's relation with the Hall is symbiotic. By providing LHS with the latest in hardware and programs, the Atari Computer Division can receive feedback on its equipment and software. By studying the teaching techniques used at the Hall, Atari programmers can design better programs to serve the needs of the educational community.

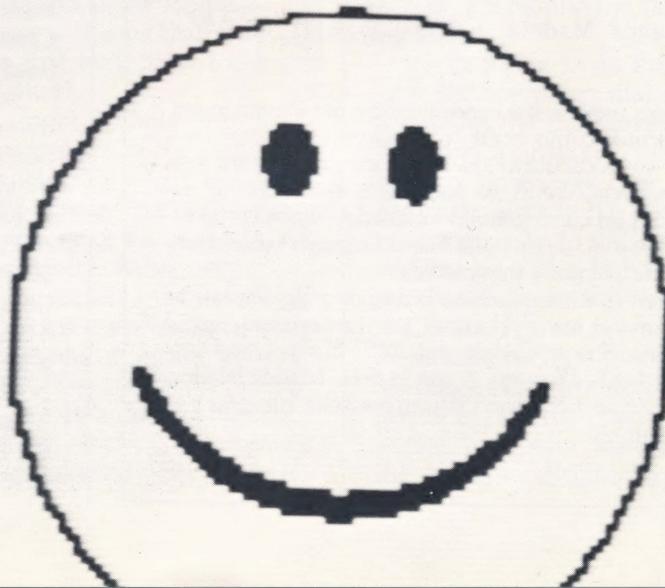
Why is Atari so interested in kids? For one reason, it's an investment in the future. It is hoped that

children who grow up using ATARI computers will later buy ATARI computers for themselves and for their children.

For another reason, kids have the least resistance to computers of any age group. Jim Paige, Atari national accounts sales manager, explains, "Kids readily adapt to computers because they haven't been programmed to believe that they are difficult. Besides, they've grown up in the electronics age—most of them in front of a tv."

The ATARI computers possess other charms for children, according to Paige. "On one hand, there's the great power of the computer: the color, sound, speed and graphic capabilities. But there's also a paradox. Despite what appears to be vast intelligence, the computer is essentially 'dumb'. It can respond intelligently, but it can't actually think. So, the children find that, in a way, they are actually smarter than the computer, for all its power. And, for the first time, they are in control of the tv, instead of the tv controlling them."

This is the first of a series on the educational applications of the ATARI personal computer systems. Future articles will highlight Atari's new mobile computer classroom and the Atari Institute for Educational Action Research.



ENGLISH LESSON

If you would like to increase your English speaking and writing abilities, or just improve your English vocabulary, Atari is offering its employees — free of charge — beginning and intermediate classes in “English as a Second Language.”

The program, currently being offered at Atari’s Silicon Valley facilities, may be expanded in the future to include employees at off-site locations.

Classes are taught at Atari in Sunnyvale by teachers from the Fremont Union High School District Adult Program. Each class lasts eight weeks and meets twice a week. Although the classes are free to Atari employees, students must purchase a workbook. But Atari will reimburse each student for the price of the workbook when the student completes the class.

If you are interested, or if you know other employees who would benefit from the classes, please call Sharon Quinta 2493 (Computer and Consumer Electronics Divisions), or Magda Madriz, 2470 (Coin-Op Games Division), or talk to your supervisor.

你若想增強自己英語會話和寫作的的能力，或是想充實一下自己的英文實力，阿大力 Atari 公司有專為自己員工開辦的英語課程，“第二語言英語”（專為母語不是英語的人所開辦的英語課程），有初級班和中級班。

您如有意參加，或您知道某同事需要這種課程，請撥電話2493號（計算機及商用電子器械部門Computer and Consumer Electronics Divisions）通知Sharon Quinta，或撥2470號（硬幣制動遊樂設備部門Coin-Op Games Division）通知Magda Madriz，或是告訴您自己的主管。

Si desea mejorar sus conocimientos del idioma ingles, tanto escritos como orales, o simplemente si desea aumentar su vocabulario en dicho idioma, nuestra empresa, es decir ATARI, ha puesto a la disposicion de sus empleados un curso gratuito intitulado: “Ingles como segundo idioma”, (*English as a Second Language*) para estudiantes principiantes e intermedios.

Si usted esta interesado(a), o conoce a alguien que se beneficiaria al tomar el curso, por favor comuniquese con la Srta. Sharon Quinta, ext. 2493 (*Computer and Consumer Electronics Divisions*), o con la Srta. Magda Madriz, ext. 2470 (*Coin-Op Games Division*) o solicite informes a su supervisor.

WARNER WORLD



WCI has released the findings of its latest in-depth consumer survey of the pre-recorded music market, i.e., records and tapes. The report is based on 2,370 interviews conducted in mid-1980.

Findings revealed that rock music accounts for 38 percent of total dollar purchases, country-western, 19 percent; soul/disco/rhythm & blues, 14 percent with “easy-listening and contemporary pop vocal” claiming seven percent.

Most people buy albums (54 percent) as opposed to 8-track cartridges (23 percent) and cassettes (14 percent).

Other demographics reveal that as the bulk of the U.S. population grows older, so does the age of the recorded music market. The 30- to 39-year-old group, which accounted for only 18 percent of total dollar spending in 1977, now claims 25 percent. The survey also showed that married people continue to spend more on records and tapes than the “never-married.”

The *Fortune* 500 rankings for 1980 have been released and Warner Communications rose to the number 183 position overall, up from 199th place in 1979. Total sales from all subsidiaries were \$2,059,414,000.

Island Records has claimed the dubious distinction of recording, producing and releasing an LP within 48 hours. The album features a new Island rock-a-billy/new wave group, called the Rockats. A mobile studio recorded the group live at the Ritz in New York City. The songs were then mixed and 5,000 records were pressed and rushed into the hands of New York record dealers. Hot wax, indeed! The double-fold jacket, which was printed ahead of time, does not feature any song titles, but at the last minute the song sequence was printed on the inner sleeve.

Full Moon/Asylum is releasing a double album from the sound track of an animated film based on stories and art from *HEAVY METAL* magazine. The sound-track will include music by Devo, Cheap Trick, Blue Oyster Cult, Black Sabbath, REO Speedwagon, and Sue Saad & the Next.

Superman II received rave reviews at its American premiere in New York and Washington, D.C. The box office receipts for the premieres were donated to the International Special Olympics sponsored by the Joseph P. Kennedy Foundation.

Warner Theatre Productions walked away with seven Tony Awards this year for three of its productions. *Woman of the Year* won five of its six nominations. These included awards for Best Musical, Best Actress in a Musical (Lauren Bacall), Best Score for a Musical, Best Book for a Musical and Best Featured Actress in a Musical (Marilyn Cooper). *Fifth of July* claimed a Tony for Best Featured Actress in a Play (Swoosie Kurtz) and Jane LaPotiere won Best Actress in a Play for *Piaf*.



ATARIANS OF THE MONTH



**THERESA
BALDERRAMA**

What do you want to know about company stores? Anything at all, just ask Theresa Balderrama. Not only did Theresa set up Atari's company store back in April 1977, she's also taught seminars at a local college on how to run a company store.

Theresa started at Atari 5 1/2 years ago in the accounts receivable department and then worked in personnel before being asked to organize a company store which would include goods from Atari and other Warner subsidiaries. The store has grown over the years from an 8x15 foot room to the present 1,400 square-foot location.

Theresa is also in charge of the annual company picnic. Her spare time is divided among three grandchildren, a motorcycle and 140 healthy house plants.



**DAVE
STORIE**

Dave Storie is one of those unsung heroes who work behind the scenes in the Coin-Op Games engineering department.

Dave's story begins when he was an engineering technician at Kee Games Company which was acquired by Atari in the fall of 1975. He is now a supervisor of seven development technicians and six prototype assemblers whose prime purpose it is to give technical assistance to Coin-Op Games electronics engineers. Which is to say that they help put together the hardware that enables the creative game ideas to work.

Though he claims he's not a workaholic, he's often one of the last to leave the engineering building each night. Of course, the daily work schedule includes at least one game of volleyball behind the engineering building in the late afternoons.



**GLORIA
MONTEZ**

Out in the west Texas town of El Paso, Gloria Montez is busy inspecting and touching up solder on VCS™ printed circuit boards. Gloria, who started at Atari's El Paso manufacturing plant in October 1979, has never missed a day of work.

"I'd rather be here at the job than sitting at home bored," she explains. "I never missed a day of school, either."

Nor does Gloria like to miss team sports. She plays first base on a city softball team, and she used to be team captain of the Atari El Paso volleyball team.

According to Gloria, the best part of her job at Atari is that, like most of the El Paso employees, she's been trained to handle many different tasks at the plant. "I get to do a lot of different jobs everyday," she says. "It's *never* boring."



**LARRY
SUMMERS**

Larry Summers is a senior microprogrammer for Atari computer applications. What does that mean? "I help conceptualize, design, program and test new software programs for the ATARI 800™ and 400™ computers," he explains.

Larry's degree is in mathematics from Brigham Young University in Utah, which he claims has given him a knack for math puzzles (as well as tricky software programs). He was once a missionary in Chile, too.

According to John Powers, software development manager for the Computer Division, "Larry has a 'let's get it done' attitude. He's helped a lot in getting the ATARI Word Processor™ ready for the market, and he's made important contributions to other software now under development."

☆☆ EXTRA ☆☆

In the news. Atari has become the center of attention for a number of well-known business magazines. In a recent 2-page article, *Forbes* reported that the American coin-operated video game market is now dominated by Atari. The article stated that by 1980, Atari had emerged as WCI's "flagship for the future". The magazine went on to say that, "fueled largely by Atari, Warner's stock has shot up by 65 percent and the company is now a Wall Street favorite."

Having conducted a series of interviews with executives of the Computer Division, *Business Week* recently ran an article on Atari's impact in the field of personal computers. *Fortune* is now completing a major feature article on Atari's phenomenal growth and progress in the last few years. That article is scheduled to appear on the newsstands in late July.

Sold out! All ATARI Video Computer Systems™ and game cartridges to be produced for the remainder of 1981 have been pre-sold to distributors and retail outlets. Atari will be undertaking a massive third quarter advertising campaign to ensure a sellout of retail shelf stock.

Money, money, money! A \$100,000 contest is being sponsored by the Computer Division to encourage independent software writers to develop programs for the ATARI personal computer systems. The contest is part of the Atari Software Acquisition Program, a major new effort to expand the Atari library of consumer-oriented software.

Software writers may submit programs for publication in the ATARI Program Exchange catalogue, which is published quarterly and distributed to all ATARI computer owners. Published writers will not only be paid according to the actual sales of their programs to ATARI computer users, they will also become eligible to win quarterly contests for ATARI products worth an annual total of

\$75,000. A grand prize of \$25,000 cash will be given to the writer of the best program submitted during the contest year.

The Atari \$50,000 World Championship of coin-operated games is underway. Between June and September, arcade operators are holding local contests using the latest ATARI coin-operated games. The top five players in each local contest can win free entry certificates to the World Championship, to be held in Chicago in late October. Anyone unable to participate in a local contest may enter the World Championship by paying a \$60 entry fee.

The ATARI International Asteroids™ Tournament is coming this fall. Following in the path of the overwhelmingly successful National Space Invaders* Contest held last year, the new contest will include players from around the world competing on the VCS™ Asteroids game. Plans are now being finalized and will be announced in the next issue of ATARI 81.

*TM of Taito America, Inc.

Taking stock. Atari recently played host to more than 180 WCI stockholders who gathered in Santa Clara, California for the annual Warner Communications, Inc., stockholders meeting.

Following a noon luncheon meeting at which WCI executives reported on the financial status of the WCI family of subsidiaries, four busloads of stockholders took afternoon tours of Atari's Silicon Valley facilities. The tour route included Coin-Op Games, Computer and Consumer Electronics manufacturing operations. Stockholders also stopped in at the employee game room for free play on some of Atari's coin-operated games. Later, the visiting stockholders were given the opportunity to purchase ATARI and other WCI subsidiary products at the Atari company store.



Top: WCI stockholders meeting in Santa Clara, CA. Middle: Paul Malloy (l.), Computer Electronics Manufacturing VP, explains steps of VCS assembly to stockholders. Bottom: Coin-Op Manufacturing VP, Curt Russell, leads tour through Sunnyvale plant.



Pelé is greeted by hundreds of fans in Hamburg, Germany.

Pelé, the world's best-known soccer player, has just completed a tour of Europe on behalf of Atari to introduce the Pele Soccer™ VCS game cartridge.

Pelé made appearances at department stores, soccer games and press conferences in Spain, Belgium, Holland, Germany, France and Britain, and signed literally thousands of autographs. At every stop, Pelé challenged European soccer stars to match skills with him on the Pele Soccer game cartridge. He also visited children's hospitals along the route where he donated VCS units and game cartridges.

While in Spain, Pelé shot two commercials for Spanish television. In Italy, Pelé and Atari were featured in a special tv program concerning the growing popularity of soccer in the U.S.

Dribble. Atari has donated a Video Computer System and a Basketball game cartridge to the Naismith Memorial Basketball Hall of Fame in Springfield, Massachusetts. Named for Dr. James Naismith, who invented the game of basketball in 1891, the Hall of Fame houses basketball memorabilia from almost a century of play.

The VCS and game cartridge have been placed in the Hall's game room for the enjoyment of the more than 40,000 fans and tourists who visit the Hall of Fame annually.

High scores. It took almost the whole weekend, but Jody Bowles, 27, of Pensacola, Florida, managed to keep his fingers on the Trak-Ball™ long enough to set a new world record on Atari's Missile Command™ coin-operated video game. Jody successfully defended his cities from holocaust for a full 30 hours while chalking up a score of 41,399,845 points.

"I've invested well over \$300 in the game," he said. "I started playing last Christmas and I've tried to play everyday . . . or whenever my wife lets me."

The latest Asteroids™ champion on record is Rick Larson who managed to accumulate 21,184,000 points in 34 hours, 55 minutes in West Palm Beach, Florida. Earlier, Douglas Ede held the record for Asteroids when he scored 17 million

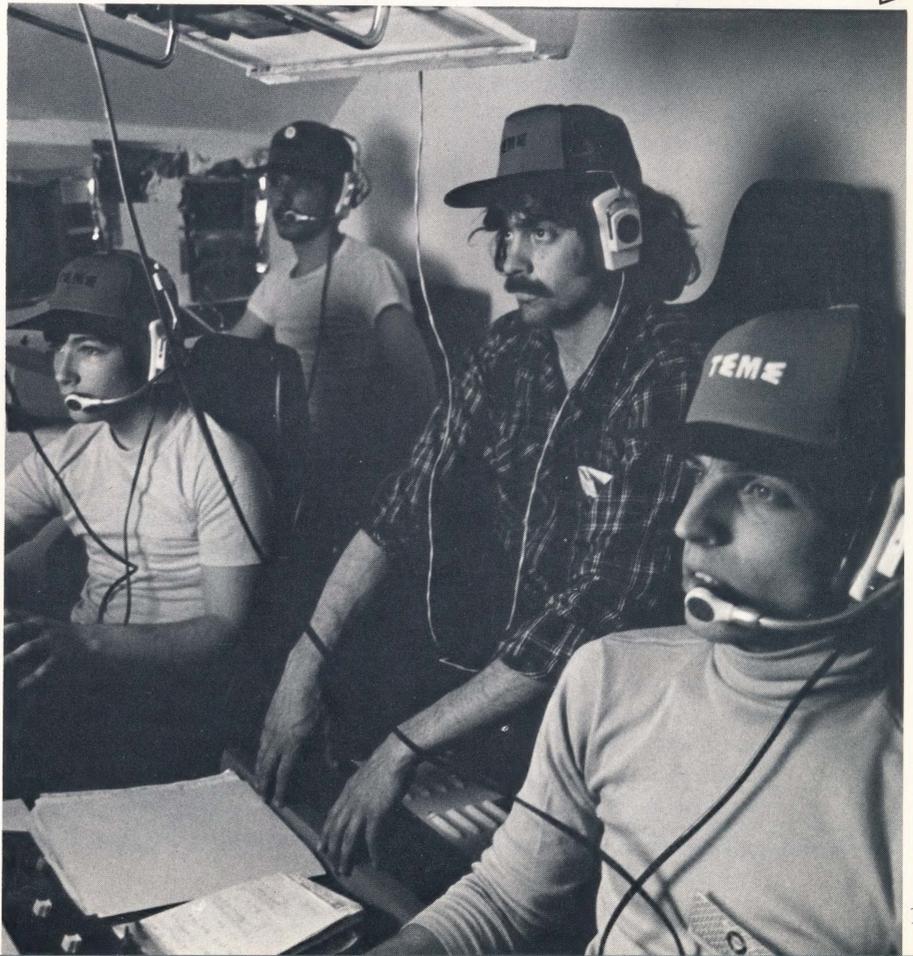
in 33 hours, 39 minutes in Salt Lake City. Both outblasted the former champ, Greg Davies of Fresno, California, who reached 15,449,950 points in 31 hours.

For Battlezone™, the official champion tank commander so far is Brian Olson of Madison, Wisconsin who scored 3,010,000 points in 3 1/2 hours.

Inner space. Seventy-five students of Greenfield Community College in Greenfield, Massachusetts recently sent a 7-member space crew on a 72-hour mission to space colony L-5. There, the earth representatives gained membership for the home planet in the Galactic Federation and successfully negotiated for intergalactic mining rights.

Code-named TEME (Totally Enclosed Modular Environment), the

TEME crew prepares for landing on space colony L-5.



mission was actually a simulated study of space travel as it might be in the next 20 years.

The TEMÉ project team built a flight deck mock-up and connected it by air lock to a habitation module. Next to these two rooms they constructed an observation lab to house the ground control crew and an audience of 75 persons.

The flight crew, which consisted of six men and one woman, included a mission commander, pilot, navigation/communications expert, mission specialist, geologist, bio-medical researcher and a diplomat. The diplomat was on hand to negotiate with the leaders of space colony L-5.

The simulation involved a complex computer program which was run on an ATARI 800™ personal computer. The program simulated each phase of a 14-stage journey, from pre-launch, lift off and orbital rendezvous to re-entry and touchdown.

Students and teachers called upon the expertise of NASA scientists and Atari computer engineers to help in the project. Atari donated the ATARI 800 computer for the 3-day mission.

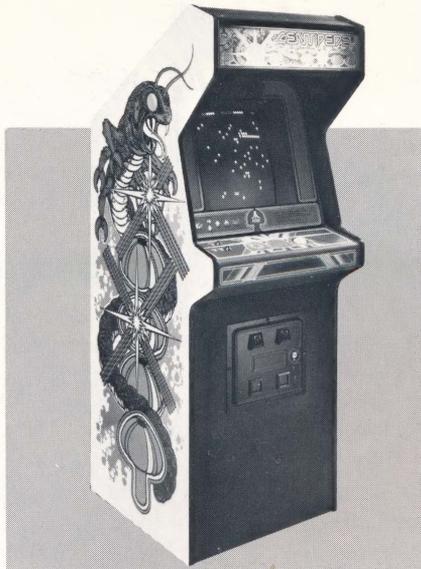
Three large tv screens served as spaceship monitors with the ATARI 800 computer providing special audio/visual effects for each segment of the journey. There was constant dialogue between computer and crew. The ATARI 800 computer prompted activity by coaching the crew members to respond to changing conditions encountered during the flight.

In memory of

Donna Barnes

She was an integral part of our division, and to all of us she was someone special.

We will miss her.
—her friends at Atari



Centipede™. Danger lurks beneath the toadstools—angry arthropods are on the loose! Centipede, the newest Coin-Op Games creation, is waiting to challenge human supremacy. Centipede is a childhood nightmare grown up into a fast-paced, high-anxiety game.

During play, lethal centipedes wind their way through a field of magic mushrooms, relentlessly marching towards the player. Using Atari's exclusive Trak-Ball™ control, the player can move a rapid-fire bug blaster up, down and all around to destroy the segments of the centipede or to dodge the deadly spider that unexpectedly pounces from the edge of the screen. Mushrooms can be blasted away for a clear shot at the evil insects. But pesky fleas frequently fall down the screen leaving a trail of fresh mushrooms to baffle the player's aim.

To make matters worse, a sneaky scorpion scurries across the screen, poisoning every mushroom in its path. If the centipede touches a poisoned mushroom, it goes berserk and charges straight for the player's position. A quick shot to its head is the only way to stop the mad stampede.

Fast action, delightful sound effects and a brilliant multi-color screen combine to make Centipede one of the most unique, exciting coin-operated games in Atari history.

Announcing:

The Atari Employees Asteroids Contest!

You are alone at the bridge of the Atari space cruiser, threading your way through a swirling asteroid belt. One of the jagged chunks looms up ahead of you. With a quick jab at the laser cannon button, you blast the boulder to smithereens! But suddenly an alien saucer streaks into view, aiming a deadly volley of laser fire in your direction. No time for prayers, Mac! You need fast reflexes if you're going to save yourself and the galaxy!

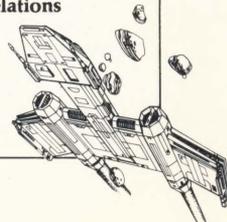
This is your chance to win fame and glory—and some big prizes—in the Atari Employee Asteroids Contest. Employees will compete on the Video Computer System using the new Asteroids game cartridge. The competition will be held August 19, 20 and 21 in the multi-purpose room at Atari Corporate Headquarters, 1265 Borregas Avenue, Sunnyvale, California. The Asteroids VCS game cartridge will be available in the Company Store a few weeks before the contest for employees to practice on at home. Be on the lookout for contest posters which will have further information, along with the list of prizes to be won.

International Asteroids Tournament Slogan Contest

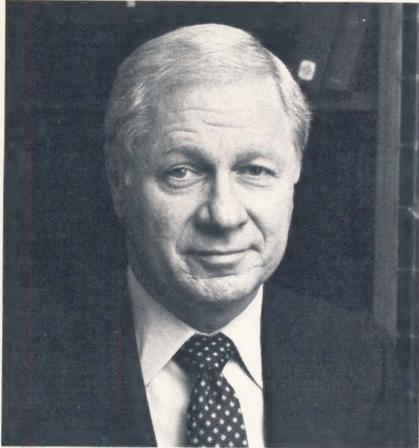
Employees are also invited to exercise their cleverness and wit to create the official International Asteroids Tournament Slogan, which will be reproduced on t-shirts, posters and other promotional materials around the world during the tournament this fall. You may enter as many times as you wish. The winner will receive the very first VCS Asteroids game cartridge to roll off the assembly line. Submit your entry to:

Asteroids Slogan Contest
Atari Corporate Public Relations
1196 Borregas Avenue
Sunnyvale, CA 94086

Deadline for receiving all entries is August 7, 1981.



Executive View



“We cannot hold on to the lead by constantly glancing over our shoulders at the competition and trying to stay a few steps ahead.”

B EING the leader in the electronic video game industry has its obvious advantages. Among other things, it enables Atari to grow and to exercise its creative talents. Success is also a stimulus to advance into other areas, such as personal computers.

But being on top also targets Atari for intense competition. Granted, competition is part of what has spurred us into lead position. Once a company becomes the frontrunner, however, the burden of staying out front is added.

We cannot hold on to the lead by constantly glancing over our shoulders at the competition and trying to stay a few steps ahead. Being the leader means forming our own standards by which to gauge continued success.

For this reason, Atari can settle for nothing less than a standard of excellence.

By “excellence” I don’t mean simply some platitude heard in political speeches or inspirational sermons. To me, excellence is a measurable degree of performance and quality. In one sense, it can be measured by QA statistics, manufacturing quotas, publicity, marketing surveys and sales figures. On a less tangible level, it can be measured by the aura of quality and fun that surrounds the Atari name.

Atari is a leader because it builds some excellent products that have value to a wide range of people. These products have to be made by people who think in terms of excellence: persons whose intention it is to produce something superior. This is an important point to consider. As a real measure of performance, excellence begins on an individual level.

A paradox in maintaining a lead position is that, in the final analysis, you must compete with yourself. It is both stimulating and burdensome to have to outdo each previous performance. It’s a burden because it

means the challenge never ends. It’s stimulating for the same reason. As technology develops and imaginations soar, newer, more fascinating games and products result.

Right now at Atari we have the opportunity to witness two facets of the effort for excellence. On one hand, there are the Coin-Op Games and Consumer Electronics divisions. Both are already leaders in their fields. Their job is to stay on top.

On the other hand, there is the Computer Division which, though founded a little over a year ago, has already made major strides and is now closing rapidly on the present leaders of the personal computer industry. By continuing to follow the standard of excellence which it has set for itself, Atari will soon be a leader in personal computers, too.

But let me repeat, a standard of excellence is based on individual performance. This is true for each person, whether working in a laboratory, on a production line, on a loading dock or at a desk. Atari enjoys the popularity and loyalty of millions of people who have trust in our products. Our jobs, our salaries, our bonuses and ultimately our standards of living are directly tied to this continuing reputation for excellence. In very plain language, to have a good job is to do a good job. Set a standard of excellence in your own job. At Atari, such a performance does not go unnoticed for long.

The word “excellence” is, after all, just a word. But what it represents is a very real feeling about how one performs in life—whether to go through the motions or to perform with commitment and high standards. It may be that excellence, like perfection, is an absolute—that it can never really be attained.

But that doesn’t mean that we should not attempt it.

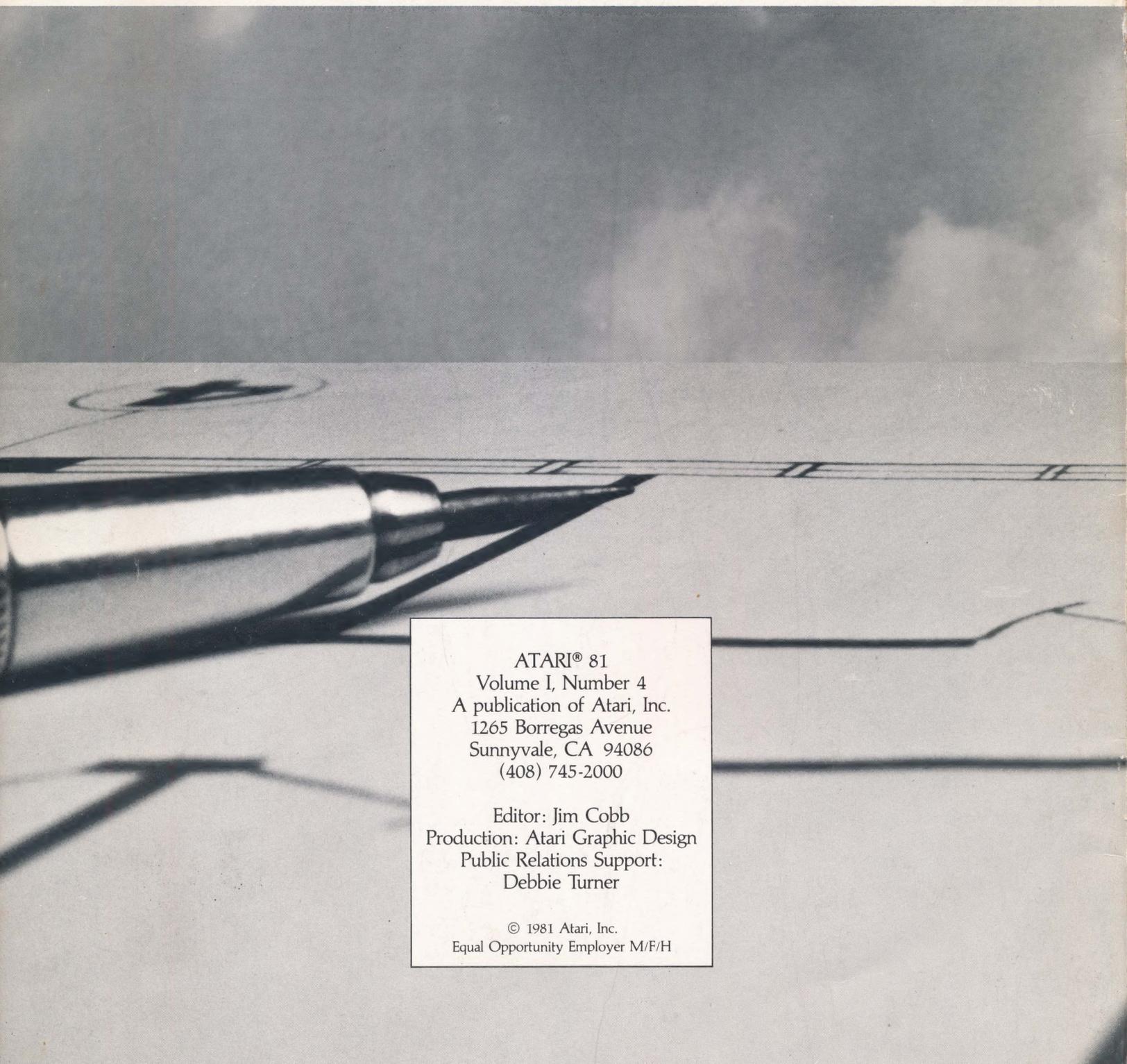
Raymond E. Kassar

Chairman and Chief Executive Officer

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