

ATI drives high-end features into mainstream faster than ever before with blistering new chips

Second time in less than three months award-winning ATI launches revolutionary new products: RADEON(tm) 9500 PRO, RADEON(tm) 9500 and RADEON(tm) 9700

October 25, 2002 - ATI Technologies Inc. (TSX:ATY, NASDAQ:ATYT) today announced the launch of the RADEON 9500 PRO, the world's first DirectX(r) 9.0 visual processing unit (VPU) for the performance mainstream market. In addition, ATI launched the RADEON(tm) 9500 and RADEON(tm) 9700 VPUs - all three products are derivatives of ATI's wildly successful and highly acclaimed RADEON(tm) 9700 PRO product, launched less than three months ago. These latest products complete ATI's family of VPUs, firmly establishing the company's lead in every market segment from value to enthusiast.

"We have accomplished a tremendous feat - one never seen before in the industry - by driving our high-end product features into the mainstream market while maintaining the lead in the enthusiast market," said David Orton, President and Chief Operating Officer, ATI Technologies Inc. "We are strongly positioned as 'the king of graphics.' Once again, we are leading the industry by being the first to drive DirectX 9.0 support into the mainstream, and offering high-end features to that market."

Microsoft's DirectX 9.0 is the platform for which many game developers are creating their new titles, and ATI's RADEON 9500 PRO is the only product on the market that allows performance mainstream users to access high-end DirectX 9.0 features - giving them a high-end gaming experience at a more affordable price-point. Driving DirectX 9.0 support into the performance mainstream means a larger market will have the ability to enable features programmed specifically for the DirectX 9.0 platform.

"We applaud ATI's continued support of Microsoft DirectX," said Dean Lester, General Manager of Graphics and Gaming Technologies, Microsoft Corporation. "ATI's new RADEON 9500 PRO hardware combined with the capabilities of the latest Microsoft DirectX 9.0 will provide gamers the most robust and immersive gaming experience available to date."

ATI's RADEON 9500 PRO sets a new standard for the performance mainstream with the introduction of DirectX 9.0 support, eight rendering pipelines, 275/550 clock speed, AGP 4X/8X compatibility and 128-bit memory architecture combined with 128MB fast DDR memory. The RADEON 9500, available exclusively through add-in-board partners, offers many of the same features with four rendering pipelines and 64MB fast DDR memory.

The third new product, RADEON 9700, will also be available through add-in-board partners. It features DirectX 9.0 support, eight rendering pipelines, AGP 4X/8X compatibility, 256-bit memory architecture, 128MB fast DDR memory, and clock speeds of 275/550.

Game developers around the world are thrilled by the RADEON 9500 PRO and the incredible features it offers to the mainstream. More importantly, users with a RADEON 9500 PRO, RADEON 9500 or RADEON 9700 card will benefit from the long-term use of DirectX 9.0, as the greatly anticipated platform will remain the most advanced on the market for a minimum of two years.

"This is awesome news, to see progress into the mainstream so quickly," said John Talley, Director of Technology, Ion Storm. "We're really excited to see next generation DirectX 9.0 graphics hardware brought into the mainstream, because it means that more people will be able to experience the full visual impact of our games as we push the envelope of current hardware capabilities."

"The RADEON 9500 series enables game developers to write advanced procedural shaders that will be commonplace in games in the future," said Ryan Prescott, Software Engineer, Core Technology, NCSoft Austin. "The RADEON 9500 series are serious gaming boards that give the best bang for buck available today. A real contender!"

"The RADEON 9500 and RADEON 9700 are bringing ATI back into the fore of the computer graphics industry," said Duncan Hopkins, Lead PC Programmer, Core Design. "Their power and features allow users to run present games to the MAX. The next generation of games, like Core Design's Tomb Raider: The Angel of Darkness, that use Microsoft's new DirectX 9.0 allow the RADEON 9700 to show its real abilities."

"ATI is firing on all cylinders, delivering high-end features and architecture to the mainstream in record time," said Rick Bergman, Senior Vice

President, Marketing and General Manager, Desktop, ATI Technologies Inc. "With the RADEON 9500 PRO, we have taken the lead in the high-end mainstream market. Our continued domination with the RADEON 9700 PRO and now with these derivatives confirms that we are taking over in all markets. The industry wanted something more powerful than ever, and we delivered - the design wins we continue to accumulate are strong proof of that."

In keeping with its aggressive strategy to blanket the mainstream, high end and value markets with industry-leading product, ATI is partnering with add-in-board manufacturers on its second simultaneous worldwide launch - featuring the new RADEON 9500 and / or the RADEON 9700.

Add-in-board manufacturers include:

- * Connect 3D
- * CP Technologies
- * FIC
- * Gigabyte
- * Hercules
- * Hightech
- * Sapphire
- * Wistron
- * Yuan

"ATI's latest introductions target lower, more affordable price points," said Dean McCarron, President, Mercury Research. "The RADEON 9500 PRO has made the latest in DirectX 9.0 technology accessible to the high-volume mainstream of the graphics market. ATI is now supplying products for every segment of the industry."

The RADEON 9500 PRO has a suggested retail price (SRP) of \$199, after manufacturer's rebate, and will begin shipping within 30 days. RADEON 9500 has an SRP of \$179 and RADEON 9700 has an SRP of \$299 - both are shipping now to add-in-board partners and should be available immediately. For more information on these and other ATI products, please visit www.ati.com or our partners' web sites.

* NB - all prices quoted are in \$US

About the Company

ATI Technologies Inc. is a world leader in the design and manufacture of innovative 3D graphics and digital media silicon solutions. An industry pioneer since 1985, ATI is the world's foremost visual processor unit (VPU) provider and is dedicated to deliver leading-edge performance solutions for the full range of PC and Mac desktop and notebook platforms, workstation, set-top and digital television, game console and handheld markets. With 2001 revenues in excess of US \$1 billion, ATI has more than 1,900 employees in the Americas, Europe and Asia. ATI common shares trade on NASDAQ (ATYT) and the Toronto Stock Exchange (ATY).

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Forward-looking Statements and Uncertainties

Certain statements in this press release constitute "forward-looking statements." When used in this press release, words such as "plans," "intends," "anticipates," "should," "estimates," "expects," "believes," "indicates," "suggests," and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties that are outlined in this press release and in the Company's 2001 Annual Report and Annual Information Form. As a result of these risks and uncertainties, the Company's operating results and common share price may be subject to significant volatility, particularly on a quarterly basis. For example, the markets for the Company's products are characterised by changing market conditions, frequent new product introductions, seasonal and variable demand and rapid technology changes. Other factors that could cause the Company's results to vary include, but are not limited to, lack of anticipated growth in the demand for PCs, gaming consoles and consumer electronic devices in which the Company's products are incorporated, reductions in the Company's average selling prices for its products due to competitive pressures and other factors, the introduction of new products by the Company's competitors which render the Company's products non-competitive, delays encountered by the Company in developing new products or enhancements, including integrated graphics and core logic components, in the time frame required by its customers, delays in manufacturing or unfavourable manufacturing yields experienced by the Company's independent foundries, unexpected variances in material costs, including silicon wafer, memory and printed circuit boards, and constraints on the supply of components utilised in the Company's products and in the PC industry generally. These risks and uncertainties could cause or contribute to actual results that are materially different from those anticipated or experienced in the past. Additional information concerning factors that could cause the Company's financial results to fluctuate is contained in the Company's filings with Canadian and

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