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**SEGA ANNOUNCES “CONDEMNED”;
NEXT-GEN PSYCHOLOGICAL THRILLER**

Hunt for Serial Killer is Unpredictable, Terrifyingly Real

SAN FRANCISCO & LONDON (February 10, 2005) – SEGA® of America, Inc. and SEGA Europe Ltd. today announced *Condemned*™, a suspense-filled, first-person psychological thriller game developed exclusively for the next generation of game consoles and the PC.

Developed by award-winning Monolith Productions, the game allows players to experience an unnatural level of psychological tension as they use their instincts, forensic tools, and melee combat to track serial killers and bring them to justice. Gamers will play as Ethan Thomas, an FBI agent in the Serial Crimes Unit (SCU), whose pursuit of relentless serial killers leads him through detailed urban environments filled with deadly sociopaths who lurk on the periphery of humanity.

“Condemned represents SEGA’s dedication to the acquisition of market-leading next generation games. ” commented Matt Woodley, European Marketing Director of SEGA Europe, “Our previous launch software has demonstrated how quickly SEGA adapts to new innovations, by publishing ground-breaking games that push new formats to the limit. We’re also delivering in our desire to work with the most talented development teams the west has to offer. This blood-curdling title pushes the horror genre, stretches new technology and promises one of the year’s most refreshingly original storylines”

Condemned, the first next-generation console and PC game announced by SEGA, and is slated to ship in Winter 2005.

About SEGA®

SEGA Europe Ltd. is the European Publishing arm of Tokyo, Japan-based SEGA Corporation, a worldwide leader in interactive entertainment both inside and outside the home. The company develops, publishes and distributes

interactive entertainment software products for a variety of hardware platforms including PC, wireless devices, and those manufactured by Nintendo, Microsoft and Sony Computer Entertainment Europe. SEGA Europe's web site is located at www.sega-europe.com <http://www.sega-europe.com>

About Monolith Productions

Monolith Productions, a Warner Bros. Entertainment Company, is one of North America's largest game development studios employing nearly 200 people. Over the past 10 years, Monolith has risen to critical acclaim through an emphasis on delivering quality products such as the No One Lives Forever franchise and Tron 2.0. Monolith currently has four products in development, including The Matrix Online and F.E.A.R., which are scheduled for release later this year.