

Take-Two Interactive Software, Inc. Announces Restated Financial Results; Annual Report on Form 10-K Filed Today

February 12, 2004 5:32 PM ET

NEW YORK--(BUSINESS WIRE)--Feb. 12, 2004--Take-Two Interactive Software, Inc. (NASDAQ:TTWO) today reported the results of the previously announced restatement of its financial statements for each of the fiscal years ended October 31, 1999, 2000, 2001, 2002, the interim quarters of fiscal 2002 and the first three quarters of fiscal 2003. The Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2003, which has been filed with the Securities and Exchange Commission today, reflects the effects of the restatement.

The Company's restatements reflect the previously announced revision of its revenue recognition policies to adopt a new methodology for recording price concession reserves, whereby the Company will recognize as a reduction of net sales a reserve for estimated future price concessions in the period in which the sale is recorded.

Take-Two has also restated its financial statements for fiscal 2000 and 2001, principally to increase its provision for returns at October 31, 2000. This restatement of approximately \$4.9 million relates to certain sales transactions primarily to retail customers in fiscal 2000 that resulted in returns that were originally reported in fiscal 2001. In completing this process, the Company's Audit Committee independently retained BDO Seidman, LLP to evaluate certain revenue recognition issues in connection with the fiscal 2000 and 2001 financial statements.

A summary of the effect of the restatements on the Company's net sales, net income (loss) and diluted net income (loss) per share is set forth in the table below. The table below also includes the effects of the Company's revised revenue recognition policies on its fourth quarter and full fiscal year 2003 financial results, which were previously announced on December 18, 2003, but not yet reported:

(In thousands, except per share data)	Net Sales		Net Income (Loss)		Diluted Net Income (Loss) Per Share	
	Reported(1)	Restated	Reported	Restated	Reported	Restated
Year Ended October 31, 2003 (2)	\$1,037,112	\$1,033,693	\$99,972	\$98,118	\$ 2.31	\$ 2.27
First Quarter	\$ 408,794	\$ 411,008	\$50,462	\$51,535	\$ 1.20	\$ 1.22
Second Quarter	\$ 194,213	\$ 193,023	\$15,239	\$14,623	\$ 0.36	\$ 0.35
Third Quarter	\$ 155,587	\$ 152,055	\$ 7,649	\$ 5,696	\$ 0.18	\$ 0.13
Fourth Quarter (2)	\$ 278,518	\$ 277,607	\$26,622	\$26,264	\$ 0.59	\$ 0.58
Year Ended October 31, 2002	\$ 793,976	\$ 794,676	\$71,565	\$71,563	\$ 1.81	\$ 1.81
First Quarter	\$ 282,926	\$ 286,945	\$34,829	\$36,752	\$ 0.92	\$ 0.97
Second Quarter	\$ 170,330	\$ 167,286	\$ 9,637	\$ 8,010	\$ 0.25	\$ 0.21
Third Quarter	\$ 122,461	\$ 123,117	\$ 4,766	\$ 5,049	\$ 0.12	\$ 0.13
Fourth Quarter	\$ 218,259	\$ 217,328	\$22,333	\$21,752	\$ 0.54	\$ 0.53
Year Ended October 31, 2001	\$ 448,801	\$ 451,396	(\$8,580)	(\$6,918)	(\$0.25)	(\$0.20)

Year Ended
October 31,
2000 \$ 364,001 \$ 358,918 \$ 6,417 \$ 4,555 \$ 0.23 \$ 0.16

Year Ended
October 31,
1999 \$ 304,714 \$ 303,715 \$16,332 \$15,871 \$ 0.76 \$ 0.74

(1) In some cases, the reported net sales numbers shown above differ from previously reported or announced numbers due to the reclassification of freight income.

(2) These results were previously announced on December 18, 2003, but not yet reported.

As previously announced, the Company's discussions with the Securities and Exchange Commission are continuing.

Take-Two expects to report its financial results for the first quarter ended January 31, 2004 during the week of March 1, 2004. A press release announcing the date of the earnings report will be issued at a later time.

About Take-Two Interactive Software

Headquartered in New York City, Take-Two Interactive Software, Inc. is an integrated global developer, marketer, distributor, and publisher of interactive entertainment software games and accessories for the PC, PlayStation(R) game console, PlayStation (R)2 computer entertainment system, Xbox(R), Nintendo GameCube(TM) and Game Boy(R) Advance. The Company publishes and develops products through its wholly owned subsidiary labels: Rockstar Games, Gathering, Global Star and Joytech. The Company maintains sales and marketing offices in Cincinnati, New York, Toronto, London, Paris, Munich, Vienna, Milan, Sydney, Breda (Netherlands) and Auckland. Take-Two's common stock is publicly traded on NASDAQ under the symbol TTWO. For more corporate and product information please visit our website at www.take2games.com.

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Safe Harbor Statement under the Private Securities Reform Act of 1995: This press release contains forward-looking statements made in reliance upon the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The statements contained herein which are not historical facts are considered forward-looking statements under federal securities laws. Such forward-looking statements are based on the beliefs of our management as well as assumptions made by and information currently available to them. The Company has no obligation to update such forward-looking statements. Actual results may vary significantly from these forward-looking statements based on a variety of factors. These important factors are described in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2003 in the section entitled "Cautionary Statement and Risk Factors".

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