

Take-Two Interactive Software, Inc. Closes Acquisition of TDK Mediactive, Inc.

December 2, 2003 8:39 AM ET

NEW YORK--(BUSINESS WIRE)--Dec. 2, 2003--Take-Two Interactive Software, Inc. (NASDAQ:TTWO) announced today that it has completed the purchase of TDK Mediactive, Inc. ("TDK"), a California based publisher of video game franchises based on popular licensed properties, including The Haunted Mansion, Pirates of the Caribbean, The Land Before Time, Robotech, The Muppets and Corvette.

The terms of the acquisition were modified from those previously announced on September 3, 2003 principally to reflect the termination of TDK's videogame publishing rights for future versions of DreamWorks LLC's motion picture Shrek. However, the consideration payable to the shareholders of TDK, other than TDK USA Corp. ("TDK USA"), TDK's majority stockholder, has not been reduced.

Take-Two has purchased TDK for approximately \$12.8 million, consisting of \$0.55 per share for each of the 23,005,885 shares outstanding (approximately \$12.6 million) and approximately \$0.2 million to retire outstanding stock options. In addition, as a condition to the purchase agreement, Take-Two has satisfied approximately \$9.7 million of outstanding liabilities (which as of the closing date constituted all of the liabilities of TDK to TDK USA) consisting of working capital advances and debt between TDK and TDK USA, by paying \$4.3 million in cash and issuing \$5.4 million in restricted shares of Take-Two common stock (or approximately 165,000 shares) to TDK USA. The working capital advances were principally for product development milestone payments, marketing expenses and advances to licensors incurred since July 18, 2003. These amounts are effectively reduced by approximately \$8 million owed to TDK by Take-Two principally for products distributed by Take-Two under the terms of the distribution agreement with TDK.

Commenting on the acquisition, Jeff Lapin, Chief Executive Officer, said, "The addition of TDK's well established mass market and children's licensed properties will complement our portfolio of proprietary brands, and will provide an excellent platform for Take-Two to further expand and diversify its product offerings. In addition, we believe our proven product development and marketing capabilities will enhance TDK's product offerings and our distribution resources will offer additional outlets for TDK's products."

Effective immediately, certain trademark license agreements covering the TDK and Mediactive trademarks have been terminated, except for limited sell-through rights respecting existing products. Also, effective immediately, TDK Mediactive is changing its corporate name to Take-Two Licensing, Inc.

TDK was represented in this transaction by Europlay Capital Advisors, a Los Angeles, California based private advisory firm specializing in media and entertainment companies. Averil Capital Markets Group, a Los Angeles, California based private investment banking firm specializing in small- and mid-cap publicly-traded companies, was a co-advisor to TDK.

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(TM) video game system from Microsoft(TM), Nintendo GameCube(TM) and Nintendo Game Boy Advance. The Company publishes and develops products through its wholly owned subsidiary labels: Rockstar Games, Gotham Games, Gathering, Joytech and Global Star. The Company maintains sales and marketing offices in Cincinnati, New York, Toronto, London, Paris, Munich, Vienna, Milan, Sydney, Amsterdam 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.

About TDK Mediactive, Inc.

Southern California based TDK Mediactive, Inc. is a global publisher of high quality interactive entertainment software for the PlayStation(R)2 computer entertainment system, PS one(TM) game console, Xbox(TM), and the Nintendo GameCube(TM), Game Boy(R) Advance and Game Boy(R) Color systems and personal computers. The company's games are based on licensed and original content derived from major motion pictures, video franchises, popular literature and popular culture. TDK Mediactive

has exclusive technology and content licenses with Sony Computer Entertainment America Inc., Microsoft Corporation, Nintendo of America Inc., Disney Interactive, Vivendi Universal Studios, Mattel, Inc., DC Comics, Hallmark Entertainment Distribution LLC, BDSP Inc., The Jim Henson Company, General Motors Corporation, Infogrames Interactive, Inc., Activision, Zuffa LLC, and others. More information about TDK Mediactive and its products is available at www.tdk-mediactive.com.

All trademarks and copyrights contained herein are the property of their respective holders.

Safe Harbor Statement under the Private Securities Reform Act of 1995: 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, 2002 and on Form 10-Q for the quarter ended July 31, 2003.

CONTACT: TAKE-TWO INTERACTIVE SOFTWARE, INC.
Jim Ankner, 646-536-3006
Fax: 646-536-2922
james.ankner@take2games.com
or
EURO RSCG MIDDLEBERG (Corporate Press Relations)
Gabrielle Zucker, 212-699-2736
Fax: 212-699-2599
gabrielle.zucker@eurorscg.com

SOURCE: Take-Two Interactive Software, Inc.