UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 8, 2011**

TAKE-TWO INTERACTIVE SOFTWARE, INC.
(Exact name of registrant as specified in its charter)

Delaware	**0-29230**	**51-0350842**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

622 Broadway, New York, New York	**10012**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code **(646) 536-2842**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On August 8, 2011, Take-Two Interactive Software, Inc. (the "Company") issued a press release announcing the financial results of the Company for the first fiscal quarter ended June 30, 2011. A copy of the press release is attached to this Current Report as Exhibit 99.1 and is incorporated by reference herein.

The information included in this Current Report on Form 8-K, including Exhibit 99.1 hereto, that is furnished pursuant to this Item 2.02 shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. In addition, the information included in this Current Report on Form 8-K, including Exhibit 99.1 hereto, that is furnished pursuant to this Item 2.02 shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference into such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits:

99.1 Press Release dated August 8, 2011 relating to Take-Two Interactive Software, Inc.'s financial results for its first fiscal quarter ended June 30, 2011.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TAKE-TWO INTERACTIVE SOFTWARE, INC.

(Registrant)

By: /s/ Daniel P. Emerson
Daniel P. Emerson
Senior Vice President, Associate General Counsel and Secretary

Date: August 8, 2011

EXHIBIT INDEX

Exhibit	
99.1	Press Release dated August 8, 2011 relating to Take-Two Interactive Software, Inc.'s financial results for its first fiscal quarter ended June 30, 2011.

Exhibit 99.1

FOR IMMEDIATE RELEASE

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Take-Two Interactive Software, Inc. Reports Financial Results for First Quarter Fiscal 2012

Net Revenue was $334.4 Million

Non-GAAP Net Income Per Share was $0.02

Company Reiterates Financial Outlook for Fiscal Year 2012

New York, NY — August 8, 2011 — Take-Two Interactive Software, Inc. (NASDAQ:TTWO) today reported net revenue and Non-GAAP profits for the first quarter of its fiscal year 2012, ended June 30, 2011, which were in line with its most recent financial outlook. In addition, the Company reiterated its financial outlook for the fiscal year 2012, ending March 31, 2012, and provided its initial financial outlook for the second quarter ending September 30, 2011.

For the first quarter ended June 30, 2011, net revenue was $334.4 million, as compared to $375.4 million for the year-ago period. GAAP loss from continuing operations was $8.6 million, or $0.11 per share, as compared to GAAP income from continuing operations of $27.4 million, or $0.31 per diluted share, for the year-ago period. Non-GAAP net income was $2.0 million, or $0.02 per share, as compared to Non-GAAP net income of $40.9 million, or $0.43 per diluted share, for the year-ago period.

The strongest contributors to net revenue in the first quarter included new titles led by *L.A. Noire*, *Duke Nukem Forever®*, *NBA® 2K11* and *Carnival Games®: Monkey See, Monkey Do™*, and catalog titles led by the *Red Dead Redemption* franchise, the *Grand Theft Auto* franchise and *Borderlands™*. Digitally delivered content accounted for $24.6 million of net revenue, up 49% year-over-year, driven by offerings for *Red Dead Redemption*, *Borderlands*, the *Grand Theft Auto* franchise, *Duke Nukem Forever*, the *Sid Meier's Civilization* franchise, and *L.A. Noire*.

Management Comments

Strauss Zelnick, Chairman and CEO of Take-Two, commented, "During the first quarter, we delivered revenue and Non-GAAP profits that were in line with our expectations. Our results benefited from the launch of Rockstar's groundbreaking and critically acclaimed title — *L.A. Noire*, the release of *Duke Nukem Forever*, continued strong sales of *NBA 2K11* and *Red Dead Redemption*, and growth in digitally delivered content. Given our solid performance year-to-date and robust pipeline of upcoming new releases, we are well positioned to be profitable on a Non-GAAP basis in fiscal year 2012.

"Looking ahead to fiscal year 2013, we have already announced three exciting new releases: *BioShock Infinite*, *Spec Ops: The Line*, and *Borderlands 2*, and we have a very strong pipeline of yet-to-be announced titles in development. As a result, we continue to expect to achieve substantial revenue and earnings growth, including Non-GAAP net income in excess of $2.00 per share.

"We also continue to make significant investments in content for online and mobile gaming platforms. We recently released our ninth offering for Apple's iOS mobile operating system — the *Sid Meier's Pirates!* App for the iPad, launched our first social game — *Sid Meier's Civilization World*, for Facebook, and we are hard at work with our partners in Asia on our three previously announced initiatives to develop online games. These initiatives are just the beginning of our ongoing efforts to drive growth through these emerging and exciting areas of gaming."

Business and Product Highlights

Since April 1, 2011:

- 2K Play released the Company's first offering for Kinect for Xbox 360®, *Carnival Games: Monkey See, Monkey Do™*, and supported the title with downloadable content packs. The title will be featured in worldwide promotions with Microsoft this holiday season.
- Rockstar Games released *L.A. Noire* on May 17, 2011 in North America and May 20, 2011 internationally. Major news outlets and video game critics across the world have applauded its ambition with great review scores stating that *L.A. Noire* is "a breakthrough for games as a whole" and a "stunning accomplishment" that "sets a new standard for storytelling". The title has sold-in more than 4 million units worldwide since its launch and has been supported by several downloadable content packs. The PC version of the title is scheduled to be released this fall.
- 2K Play announced that it plans to release *Nicktoons MLB* on September 13, 2011. The game will feature characters from Nickelodeon's popular Nicktoons series and all 30 Major League Baseball teams.
- 2K Sports extended its long-term partnership with the National Basketball Association to develop and publish the best-selling *NBA 2K* basketball franchise for an additional multi-year period. The latest iteration, *NBA 2K11*, has sold-in nearly 5.5 million units worldwide and received the highest scores in the history of the franchise (89 — Metacritic.com).

- 2K Sports announced a new partnership with Nexon Corporation to develop and publish an online baseball simulation game for the South Korean market.
- 2K Games announced a partnership with XLGAMES, Inc. to develop a massively multiplayer online game for the Asian market based on one of 2K's top-selling franchises.
- 2K Games announced that it plans to release XCOM on March 6, 2012 in North America and March 9, 2012 internationally.
- 2K Play announced that it plans to release *Let's Cheer!*, *Nickelodeon Dance* and a new slate of Nickelodeon titles throughout the fall and holiday season.
- 2K Games released *Duke Nukem Forever* on June 10, 2011 internationally and June 14, 2011 in North America. The title is being supported with downloadable content.
- 2K Games' *BioShock Infinite*, developed by Irrational Games and planned for release in calendar year 2012, won 77 editorial awards, including 41 "Game of Show" awards, at E3 2011.
- 2K Games launched the Company's first social game, *Sid Meier's Civilization World*, for Facebook. The title was developed by Firaxis Games.
- 2K Sports announced that *NBA 2K12* is planned for release on October 4, 2011, and will offer three separate covers for the Xbox 360 and PS3 versions featuring NBA legends Michael Jordan, Larry Bird and Magic Johnson, as well as historic teams and players that can be unlocked for in-game use.
- 2K Games released the *Sid Meier's Pirates!* App for the iPad.
- 2K Games announced that *Borderlands 2*, the next installment in the franchise that has sold-in over 4.5 million units worldwide, is currently in development with Gearbox Software and expected to launch in fiscal year 2013.
- Rockstar Games' *Red Dead Redemption* franchise has sold-in over 11 million units worldwide since launching in May 2010, including over 2 million units of the *Red Dead Redemption: Undead Nightmare* standalone disc.

Financial Outlook for Fiscal 2012

The Company is providing its initial financial outlook for the second quarter ending September 30, 2011, and reiterating its financial outlook for the fiscal year ending March 31, 2012 as follows:

	Second Quarter Ending 9/30/2011	Fiscal Year Ending 3/31/2012
Revenue	$70 to $85 Million	$1.0 to $1.1 Billion
Non-GAAP Net Income (Loss) per share	($0.65) to ($0.55)	$0.10 to $0.35
Stock-based compensation expense per share (a)	$0.05	$0.28
Non-cash interest expense related to convertible debt	$0.02	$0.09
Non-cash tax expense	$0.00	$0.02

(a) The Company's stock-based compensation expense for the periods above includes the cost of approximately 0.9 million shares previously issued to ZelnickMedia that are subject to variable accounting. Actual expense to be recorded in connection with these shares is dependent upon several factors, including future changes in Take-Two's stock price.

Key assumptions and dependencies underlying the Company's guidance include continued consumer acceptance of the Xbox 360® video game and entertainment system from Microsoft, PlayStation®3 computer entertainment system, and Wii™ system; the ability to develop and publish products that capture market share for these current generation systems while continuing to leverage opportunities on certain prior generation platforms; the timely delivery of the titles detailed in this release; and stable foreign exchange rates. See also "Cautionary Note Regarding Forward Looking Statements" below.

Product Releases

The following titles were released since April 1, 2011:

Title	Platforms	Release Date
Carnival Games: Monkey See, Monkey Do	Kinect for Xbox 360	April 5, 2011
Sid Meier's Civilization V: Denmark (DLC)	PC	May 3, 2011
Sid Meier's Civilization V: The Explorers (DLC)	PC	May 3, 2011
L.A. Noire	Xbox 360, PS3	May 17, 2011*
L.A. Noire: The Naked City Case (DLC)	Xbox 360, PS3	May 31, 2011
L.A. Noire: A Slip of the Tongue Case (DLC)	Xbox 360, PS3	May 31, 2011
Duke Nukem Forever	Xbox 360, PS3, PC	June 10, 2011**
Duke Nukem Forever: Multiplayer Map Pack (DLC)	Xbox 360, PS3, PC	June 14, 2011**
L.A. Noire: Nicholson Electroplating Disaster Case (DLC)	Xbox 360, PS3	June 21, 2011
Carnival Games®: Monkey See, Monkey Do: Monkey Dancin' (DLC)	Kinect for Xbox 360	June 24, 2011
Sid Meier's Civilization World	Facebook	July 7, 2011
L.A. Noire: Refer Madness Case (DLC)	Xbox 360, PS3	July 12, 2011
Carnival Games: Monkey See, Monkey Do: Coastermania (DLC)	Kinect for Xbox 360	July 19, 2011
Sid Meier's Pirates! App	iPad	July 21, 2011

**North American release date; international release followed three days after.*
***International release date; North American release followed four days after.*

Take-Two's lineup of future titles announced to date includes:

Title	Platforms	Planned Release
Sid Meier's Civilization V: Korea (DLC)	PC	August 11, 2011
Sid Meier's Civilization V: Wonders of the Ancient World (DLC)	PC	August 11, 2011
Nicktoons MLB	Xbox 360 (Kinect), Wii, DS	September 13, 2011
Duke Nukem Forever: Hail to the Icons Parody Pack (DLC)	Xbox 360, PS3, PC	Fall 2011
L.A. Noire	PC	Fall 2011
Red Dead Redemption: Myths and Mavericks (DLC)	Xbox360, PS3	Fall 2011
NBA 2K12	Xbox 360, PS3, PS2, PSP, Wii, PC	October 4, 2011
Let's Cheer!	Kinect for Xbox 360	Holiday Season '11
Nickelodeon Dance	Kinect for Xbox 360, Wii	November 2011
Dora and Kai-Lan's Pet Shelter	DS	November 2011
Team UmiZoomi	DS	November 2011
The Darkness II	Xbox 360, PS3, PC	February 7, 2012*
XCOM	Xbox 360, PS3, PC	March 6, 2012*
BioShock Infinite	Xbox 360, PS3, PC	Calendar Year 2012
Spec Ops: The Line	Xbox 360, PS3, PC	First Half Fiscal '13
Borderlands 2	Xbox 360, PS3, PC	Fiscal Year 2013

**North American release date; international release follows three days after.*

Conference Call

Take-Two will host a conference call today at 4:30 p.m. Eastern Time to review these results and discuss other topics. The call can be accessed by dialing (877) 407-0984 or (201) 689-8577. A live listen-only webcast of the call will be available by visiting http://ir.take2games.com and a replay will be available following the call at the same location.

Non-GAAP Financial Measures

In addition to reporting financial results in accordance with U.S. generally accepted accounting principles (GAAP), the Company uses Non-GAAP measures of financial performance that exclude certain non-recurring or non-cash items. Non-GAAP gross profit, income (loss) and earnings (loss) per share are measures that exclude certain non-recurring or non-cash items and should be considered in addition to results prepared in accordance with GAAP. They are not intended to be considered in isolation from, as a substitute for, or superior to, GAAP results. These Non-GAAP financial measures may be different from similarly titled measures used by other companies.

The Company believes that these Non-GAAP financial measures, when taken into consideration with the corresponding GAAP financial measures, are important in gaining an understanding of the Company's ongoing business. These Non-GAAP financial measures also provide for comparative results from period to period. Therefore, the Company believes it is appropriate to exclude certain items as follows:

- *Stock-based compensation* — the Company does not consider stock-based compensation charges when evaluating business performance and management does not contemplate stock-based compensation expense in its short- and long-term operating plans. As a result, the Company has excluded such expenses from its Non-GAAP financial measures.
- *Income (loss) from discontinued operations* — the Company does not engage in sales of subsidiaries on a regular basis and therefore believes it is appropriate to exclude such gains (losses) from its Non-GAAP financial measures. As the company is no longer active in its discontinued operations, it believes it is appropriate to exclude income (losses) thereon from its Non-GAAP financial measures.
- *Professional fees and expenses associated with unusual legal and other matters* — the Company has incurred expenses for professional fees and has accrued for legal settlements that are outside its ordinary course of business. As a result, the Company has excluded such expenses from its Non-GAAP financial measures.
- *Non-cash interest expense related to convertible debt* — The Company records non-cash interest expense on its convertible notes in addition to the interest expense already recorded for coupon payments. The Company excludes the non-cash portion of the interest expense from its Non-GAAP financial measures because these amounts are unrelated to its ongoing business operations.
- *Non-cash tax expense for the impact of deferred tax liabilities associated with tax deductible amortization of goodwill* — due to the nature of the adjustment as well as the expectation that it will not have any cash impact in the foreseeable future, the Company believes it is appropriate to exclude this expense from its Non-GAAP financial measures.

EBITDA and Adjusted EBITDA
Earnings (loss) before interest, taxes, depreciation and amortization ("EBITDA") is a financial measure not calculated and presented in accordance with U.S. GAAP. Management uses EBITDA adjusted for business reorganization and related expenses ("Adjusted EBITDA"), among other measures, in evaluating the performance of the Company's business units. Adjusted EBITDA is also a significant component of the Company's incentive compensation plans. Adjusted EBITDA should not be considered in isolation from, or as a substitute for, net income/(loss) prepared in accordance with GAAP.

Reclassifications
Certain prior year amounts have been reclassified to conform to current year presentation.

About Take-Two Interactive Software

Headquartered in New York City, Take-Two Interactive Software, Inc. is a global developer, marketer and publisher of interactive entertainment software games for the PC, PlayStation®3 and PlayStation®2 computer entertainment systems, PSP® (PlayStation®Portable) system, Xbox 360® video game and entertainment system from Microsoft, Wii™, Nintendo DS™, iPhone®, iPod® touch and iPad®. The Company publishes and develops products through its

wholly owned labels Rockstar Games and 2K, which publishes its titles under 2K Games, 2K Sports and 2K Play. The Company'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.

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

Cautionary Note Regarding Forward-Looking Statements

The statements contained herein which are not historical facts are considered forward-looking statements under federal securities laws and may be identified by words such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "potential," "predicts," "projects," "seeks," "will," or words of similar meaning and include, but are not limited to, statements regarding the outlook for the Company's future business and financial performance. Such forward-looking statements are based on the current beliefs of our management as well as assumptions made by and information currently available to them, which are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Actual outcomes and results may vary materially from these forward-looking statements based on a variety of risks and uncertainties including: our dependence on key management and product development personnel, our dependence on our Grand Theft Auto products and our ability to develop other hit titles for current generation platforms, the timely release and significant market acceptance of our games, the ability to maintain acceptable pricing levels on our games, our ability to raise capital if needed and risks associated with international operations. Other important factors and information are contained in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2011, in the section entitled "Risk Factors," and the Company's other periodic filings with the SEC, which can be accessed at www.take2games.com. All forward-looking statements are qualified by these cautionary statements and apply only as of the date they are made. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

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TAKE-TWO INTERACTIVE SOFTWARE, INC. and SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)
(in thousands, except per share amounts)

	Three months ended June 30,	
	2011	**2010**
Net revenue	**$ 334,380**	$ 375,390
Cost of goods sold:		
Product costs	**98,451**	101,077
Software development costs and royalties	**84,602**	64,038
Internal royalties	**16,512**	67,462
Licenses	**11,654**	11,469
Total cost of goods sold	**211,219**	244,046
Gross profit	**123,161**	131,344
Selling and marketing	**74,683**	49,805
General and administrative	**30,577**	26,202
Research and development	**16,519**	16,181
Depreciation and amortization	**3,245**	3,765
Total operating expenses	**125,024**	95,953
Income (loss) from operations	**(1,863)**	35,391
Interest and other, net	**(3,680)**	(4,738)
Income (loss) from continuing operations before income taxes	**(5,543)**	30,653
Provision for income taxes	**3,076**	3,291
Income (loss) from continuing operations	**(8,619)**	27,362
Loss from discontinued operations, net of taxes	**(94)**	(1,048)
Net income (loss)	**$ (8,713)**	$ 26,314
Earnings (loss) per share:		
Continuing operations	**$ (0.11)**	$ 0.32
Discontinued operations	**—**	(0.01)
Basic earnings (loss) per share	**$ (0.11)**	$ 0.31
Continuing operations	**$ (0.11)**	$ 0.31
Discontinued operations	**—**	(0.01)
Diluted earnings (loss) per share (1)	**$ (0.11)**	$ 0.30
Weighted average shares outstanding: (2)		
Basic	**82,505**	85,492
Diluted	**82,505**	98,433

(1) For the three months ended June 30, 2010, diluted EPS has been calculated using the "if-converted" method as a result of the Convertible Senior Notes ("Convertible Notes") issued in June 2009, for which diluted net income has been adjusted by $3,402, related to interest and debt issuance costs, net of tax. The shares used for computing includes 12,927 shares related to the potential dilution from the Convertible Notes. The "if-converted" method was not used for the other period presented as the assumed conversion would have been anti-dilutive.

(2) Basic and diluted include participating shares of 6,153 for the three months ended June 30, 2010.

OTHER INFORMATION	Three months ended June 30, 2011	2010
Geographic revenue mix		
North America	54%	56%
International	46%	44%
Platform revenue mix		
Microsoft Xbox 360	49%	45%
Sony PlayStation 3	41%	46%
PC	7%	4%
Sony PSP	1%	1%
Sony PlayStation 2	1%	1%
Nintendo DS	1%	1%
Nintendo Wii	0%	2%

TAKE-TWO INTERACTIVE SOFTWARE, INC. and SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)

	June 30, 2011 (Unaudited)	March 31, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 248,759**	$ 280,359
Accounts receivable, net of allowances of $79,954 and $42,900 at June 30, 2011 and March 31, 2011, respectively	**146,694**	84,217
Inventory	**25,941**	24,578
Software development costs and licenses	**151,123**	131,676
Prepaid taxes and taxes receivable	**9,049**	8,280
Prepaid expenses and other	**63,082**	37,493
Total current assets	**644,648**	566,603
Fixed assets, net	**19,009**	19,632
Software development costs and licenses, net of current portion	**92,218**	138,320
Goodwill	**226,868**	225,170
Other intangibles, net	**17,339**	17,833
Other assets	**3,495**	4,101
Total assets	**$ 1,003,577**	$ 971,659
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	**$ 72,480**	$ 56,153
Accrued expenses and other current liabilities	**170,934**	158,459
Deferred revenue	**15,314**	13,434
Liabilities of discontinued operations	**1,391**	2,842
Total current liabilities	**260,119**	230,888
Long-term debt	**109,236**	107,239
Income taxes payable	**12,930**	12,037
Other long-term liabilities	**3,120**	2,961
Liabilities of discontinued operations, net of current portion	**2,905**	3,255
Total liabilities	**388,310**	356,380
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $.01 par value, 5,000 shares authorized	**—**	—
Common stock, $.01 par value, 150,000 shares authorized; 86,360 and 86,119 shares issued and outstanding at June 30, 2011 and March 31, 2011, respectively	**864**	861
Additional paid-in capital	**714,912**	706,482
Accumulated deficit	**(111,236)**	(102,523)
Accumulated other comprehensive income (loss)	**10,727**	10,459
Total stockholders' equity	**615,267**	615,279
Total liabilities and stockholders' equity	**$ 1,003,577**	$ 971,659

TAKE-TWO INTERACTIVE SOFTWARE, INC. and SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(in thousands)

	Three months ended June 30, 2011	2010
Operating activities:		
Net income (loss)	**$ (8,713)**	$ 26,314
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:		
Amortization and impairment of software development costs and licenses	**72,466**	53,642
Depreciation and amortization	**3,245**	3,765
Loss from discontinued operations	**94**	1,048
Amortization and impairment of intellectual property	**305**	39
Stock-based compensation	**8,048**	11,221
Amortization of discount on Convertible Notes	**1,997**	1,755
Amortization of debt issuance costs	**313**	313
Other, net	**(250)**	1,127
Changes in assets and liabilities, net of effect from purchases of businesses:		
Accounts receivable	**(62,477)**	(103,171)
Inventory	**(1,363)**	50
Software development costs and licenses	**(45,630)**	(43,318)
Prepaid expenses, other current and other non-current assets	**(26,063)**	10,998
Deferred revenue	**1,880**	(1,706)
Accounts payable, accrued expenses, income taxes payable and other liabilities	**28,162**	82,722
Net cash used in discontinued operations	**(420)**	(7,666)
Net cash (used in) provided by operating activities	**(28,406)**	37,133
Investing activities:		
Purchase of fixed assets	**(2,400)**	(2,179)
Net cash used in discontinued operations	**(1,475)**	—
Cash received from sale of business	**—**	760
Payments in connection with business combinations, net of cash acquired	**—**	(500)
Net cash used in investing activities	**(3,875)**	(1,919)
Financing activities:		
Proceeds from exercise of employee stock options	**162**	87
Net cash provided by financing activities	**162**	87
Effects of exchange rates on cash and cash equivalents	**519**	1,404
Net increase (decrease) in cash and cash equivalents	**(31,600)**	36,705
Cash and cash equivalents, beginning of year	**280,359**	145,838
Cash and cash equivalents, end of period	**$ 248,759**	$ 182,543

TAKE-TWO INTERACTIVE SOFTWARE, INC. and SUBSIDIARIES
Non-GAAP CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)
(in thousands, except per share amounts)

	Three months ended June 30, 2011	Non-GAAP Reconciling Items					Non-GAAP three months ended June 30, 2011
		Discontinued operations	Professional fees and legal matters	Stock-based compensation	Non-cash interest expense	Non-cash tax expense	
Net revenue	$ 334,380	$ —	$ —	$ —	$ —	$ —	$ 334,380
Cost of goods sold:							
Product costs	98,451	—	—	—	—	—	98,451
Software development costs and royalties	84,602	—	—	(3,204)	—	—	81,398
Internal royalties	16,512	—	—	—	—	—	16,512
Licenses	11,654	—	—	—	—	—	11,654
Total cost of goods sold	211,219	—	—	(3,204)	—	—	208,015
Gross profit	123,161	—	—	3,204	—	—	126,365
Selling and marketing	74,683	—	—	(1,399)	—	—	73,284
General and administrative	30,577	—	(176)	(2,370)	—	—	28,031
Research and development	16,519	—	—	(1,075)	—	—	15,444
Depreciation and amortization	3,245	—	—	—	—	—	3,245
Total operating expenses	125,024	—	(176)	(4,844)	—	—	120,004
Income (loss) from operations	(1,863)	—	176	8,048	—	—	6,361
Interest and other, net	(3,680)	—	—	—	1,997	—	(1,683)
Income (loss) from continuing operations before income taxes	(5,543)	—	176	8,048	1,997	—	4,678
Provision for income taxes	3,076	—	—	—	—	(355)	2,721
Income (loss) from continuing	)						

operations	(8,619	—	176	8,048	1,997	355	1,957
Loss from discontinued operations, net of taxes	(94)	94	—	—	—	—	—
Net income (loss)	$ (8,713)	$ 94	$ 176	$ 8,048	$ 1,997	$ 355	$ 1,957
Earnings (loss) per share:*							
Basic earnings (loss) per share	$ (0.11)	$ 0.00	$ 0.00	$ 0.09	$ 0.02	$ 0.00	$ 0.02
Diluted earnings (loss) per share	$ (0.11)	$ 0.00	$ 0.00	$ 0.09	$ 0.02	$ 0.00	$ 0.02
Weighted average shares outstanding (1)							
Basic	82,505	87,831	87,831	87,831	87,831	87,831	87,831
Diluted	82,505	88,778	88,778	88,778	88,778	88,778	88,778
EBITDA:							
Income (loss) from continuing operations before income taxes	$ (5,543)						$ 4,678
Interest	3,953						1,956
Depreciation and amortization	3,245						3,245
EBITDA	$ 1,655						$ 9,879

***Earnings (loss) per share ("EPS") may not add due to rounding**
(1) Non-GAAP basic and diluted include participating shares of 5,326.

TAKE-TWO INTERACTIVE SOFTWARE, INC. and SUBSIDIARIES
Non-GAAP CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)
(in thousands, except per share amounts)

		Non-GAAP Reconciling Items					
	Three months ended June 30, 2010	Discontinued operations	Professional fees and legal matters	Stock-based compensation	Non-cash interest expense	Non-cash tax expense	Non-GAAP three months ended June 30, 2010
Net revenue	$ 375,390	$ —	$ —	$ —	$ —	$ —	$ 375,390
Cost of goods sold:							
Product costs	101,077	—	—	—	—	—	101,077
Software development costs and royalties	64,038	—	—	(6,220)	—	—	57,818
Internal royalties	67,462	—	—	—	—	—	67,462
Licenses	11,469	—	—	—	—	—	11,469
Total cost of goods sold	244,046	—	—	(6,220)	—	—	237,826
Gross profit	131,344	—	—	6,220	—	—	137,564
Selling and marketing	49,805	—	—	(1,228)	—	—	48,577
General and administrative	26,202	—	(61)	(2,932)	—	—	23,209
Research and development	16,181	—	—	(841)	—	—	15,340
Depreciation and amortization	3,765	—	—	—	—	—	3,765
Total operating expenses	95,953	—	(61)	(5,001)	—	—	90,891
Income (loss) from operations	35,391	—	61	11,221	—	—	46,673
Interest and other, net	(4,738)	—	—	—	1,755	—	(2,983)
Income (loss) from continuing operations before income taxes	30,653	—	61	11,221	1,755	—	43,690
Provision for income taxes	3,291	—	—	—	—	(454)	2,837
Income (loss) from continuing operations	27,362	—	61	11,221	1,755	454	40,853
Loss from discontinued operations, net of taxes	(1,048)	1,048	—	—	—	—	—
Net income (loss)	$ 26,314	$ 1,048	$ 61	$ 11,221	$ 1,755	$ 454	$ 40,853
Earnings (loss) per share:*							
Basic earnings (loss) per share	$ 0.31	$ 0.01	$ 0.00	$ 0.13	$ 0.02	$ 0.01	$ 0.48
Diluted earnings (loss) per share (1)	$ 0.30	$ 0.01	$ 0.00	$ 0.11	$ 0.02	$ 0.00	$ 0.43
Weighted average shares outstanding (2)							
Basic	85,492	85,492	85,492	85,492	85,492	85,492	85,492
Diluted	98,433	98,433	98,433	98,433	98,433	98,433	98,433
EBITDA:							
Income (loss) from continuing operations	$ 30,653						$ 43,690

before income taxes		
Interest	3,656	1,901
Depreciation and amortization	3,765	3,765
EBITDA	$ 38,074	$ 49,356

***Earnings (loss) per share may not add due to rounding**

(1) For the three months ended June 30, 2010, diluted EPS has been calculated using the "if-converted" method as a result of the Convertible Senior Notes ("Convertible Notes") issued in June 2009.

Non-GAAP net income used for computing non-GAAP diluted EPS has been adjusted by $1,647 and GAAP net income used for computing GAAP diluted EPS has been adjusted by $3,402 related

to interest and debt issuance costs, net of tax. The shares used for computing includes 12,927 shares related to the potential dilution from the Convertible Notes.

(2) Basic and diluted include participating shares of 6,153.