

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): March 29, 2007

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

Delaware
(State or Other
Jurisdiction of
Incorporation)

0-29230
(Commission
File Number)

51-0350842
(IRS Employer
Identification No.)

622 Broadway, New York, NY
(Address of Principal Executive Offices)

10012
(Zip Code)

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

Not Applicable
(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):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement

The Registrant entered into a Management Agreement dated March 30, 2007 (the "Management Agreement") with ZelnickMedia Corporation ("ZelnickMedia"), pursuant to which ZelnickMedia will provide financial and management consulting services to the Registrant. Pursuant to the Management Agreement, ZelnickMedia will consult with the board of directors of the Registrant (the "Board") and management of the Registrant and its subsidiaries in such manner and on such business and financial matters as may be reasonably requested from time to time by the Board. Strauss Zelnick is entitled during the term of the Management Agreement to serve as chairman of the Registrant. Mr. Zelnick will also have the authority during such term to hire and/or terminate the chief executive officer and the chief financial officer of the Registrant, subject to the approval of the Compensation Committee of the Board. During such term, ZelnickMedia will receive a monthly management fee of \$62,500, an annual bonus of up to \$750,000 per annum upon the achievement by the Registrant of certain performance thresholds, an option to purchase a number of shares of the Registrant equal to 2.5% of the outstanding common stock of the Registrant on a fully diluted basis (which shall vest in equal monthly installments over three years) and a number of shares of restricted common stock of the Registrant, in each case as more fully described in the Management Agreement. ZelnickMedia will also be entitled to the reimbursement of expenses in connection with the Management Agreement and any and all transactions relating thereto, whether incurred before or after the execution of the Management Agreement. The Management Agreement has a term ending October 31, 2011, unless earlier terminated by either ZelnickMedia or the Registrant in accordance with the terms thereof, with automatic renewal for successive one-year periods unless either party terminates upon 90 days' prior written notification to the other party. The description of the Management Agreement contained herein is qualified in its entirety by reference to the full text of the Management Agreement, a copy of which is filed as Exhibit 99.1 hereto and which is incorporated herein by reference.

The Registrant entered into a Separation Agreement and General Release dated April 4, 2007 (the "Separation Agreement") with Paul Eibeler, the former chief executive officer of the Registrant (as more fully described below), pursuant to which Mr. Eibeler will serve as a consultant to the Registrant on an as-needed basis as determined by the Board for a period of six months from the date of the Separation Agreement. During the term of Mr. Eibeler's consultancy pursuant to the Separation Agreement, Mr. Eibeler will receive from the Registrant a monthly consulting fee of \$50,000 and certain health and other benefits. Mr. Eibeler was removed as president, chief executive officer and director of the Registrant on March 29, 2007 and, pursuant to the Separation Agreement, his employment with the Registrant was terminated on April 4, 2007. In connection therewith, Mr. Eibeler will receive severance payments of \$2,475,000 (a multiple of his 2007 base salary and bonus calculated in accordance with the severance provisions of his employment agreement with the Registrant) and any vesting requirements with respect to options or restricted stock granted to him prior to the termination of his employment will be deemed satisfied. The description of the Separation Agreement contained herein is qualified in its entirety by reference to the full text of the Separation Agreement, a copy of which is filed as Exhibit 99.2 hereto and which is incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

See the description of the Management Agreement above.

Item 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

On April 2, 2007, the Registrant notified The NASDAQ Stock Market that the Audit Committee of its Board was comprised of only two members (as more fully described below), rather than three members as required by Marketplace Rule 4350(d)(2)(A). The NASDAQ Stock Market advised the Registrant that they will wait two weeks for the Registrant to become compliant with such rule before further notifying the Registrant with respect to the time within which the Registrant must become compliant. The Registrant currently plans to add a third member to its Audit Committee in a timely manner in satisfaction of such rule.

Item 4.01. Changes in Registrant's Certifying Accountant.

At the Registrant's Annual Meeting (as defined and as more fully described below) held March 29, 2007, the appointment of Ernst & Young LLP by the Audit Committee of the Board as the independent registered public accounting firm of the Registrant for its fiscal year ending October 31, 2007 was ratified.

Item 5.01. Change in Control of Registrant.

See below regarding the Annual Meeting.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

At the Registrant's Annual Meeting of its stockholders held March 29, 2007 (the "Annual Meeting"), its stockholders elected a new slate of directors to the Board. Independent, incumbent director John F. Levy was elected and new directors Strauss Zelnick, Benjamin Feder, Michael Dornemann, Jon J Moses and Michael James Sheresky were nominated at the Annual Meeting by certain stockholders of the Registrant and elected. At a meeting of the new Board held on March 29, 2007 immediately after the Annual Meeting (the "Board Meeting"), the size of the Board was expanded by one and the newly created vacancy was filled by Grover C. Brown, who had been an independent, incumbent director of the Registrant prior to the Annual Meeting.

At the Board Meeting, the following independent directors were appointed to the following committees of the Board: John F. Levy and Michael Dornemann (Audit Committee), Michael Dornemann, Jon J Moses and Michael James Sheresky (Compensation Committee), Jon J Moses, Michael James Sheresky and Grover C. Brown (Corporate Governance Committee), and Grover C. Brown and John F. Levy (Special Litigation Committee). John F. Levy was appointed Chair of the Audit Committee, Michael Dornemann was appointed Chair of the Compensation Committee, Jon J Moses was appointed Chair of the Corporate Governance Committee and no chair of the Special Litigation Committee was appointed at the Board Meeting. Also at the Board Meeting, an Executive Committee of the Board was formed and Strauss Zelnick, Benjamin Feder and Michael Dornemann were appointed to that committee.

At the Board Meeting, Strauss Zelnick was appointed chairman of the Registrant and Benjamin Feder was appointed acting chief executive officer of the Registrant.

Upon the election of the new Board at the Annual Meeting and effective March 29, 2007, Paul Eibeler ceased to be a director of the Registrant and was removed from his position as president and chief executive officer of the Registrant on the terms set forth in the Separation Agreement.

In connection with their election to the Board and in accordance with the Registrant's existing director compensation policy, on March 29, 2007 Messrs. Dornemann, Moses and Sheresky each received a grant from the Registrant of 6,000 shares of restricted common stock of the Registrant and an option to buy 25,000 shares of common stock of the Registrant at an exercise price of \$21.10, subject to vesting. In connection with their continued service on the Board and in accordance with the Registrant's existing director compensation policy, on March 29, 2007 Messrs. Levy and Brown each received a grant from the Registrant of 6,000 shares of restricted common stock of the Registrant, subject to vesting. Pursuant to a meeting of the Board held in January 2007 and in connection with the Board's and Compensation Committee's review of the bonus and equity compensation of the executive officers of the Registrant for its 2006 fiscal year, on March 29, 2007 Mr. Eibeler and Karl H. Winters, the chief financial officer of the Registrant, received grants from the Registrant of 25,000 and 10,000 shares respectively of restricted common stock of the Registrant, subject to vesting.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

At the Board Meeting, the Board approved the adoption of the amended and restated by-laws of the Registrant (the "By-laws"). The By-laws reflect the addition of the office of chairman of the Registrant and the reduction in the maximum size of the Board from nine (pursuant to the prior version of the by-laws of the Registrant) to six directors. At the Board Meeting, the Board approved a further amendment to the By-laws to increase the maximum size of the Board from six to seven directors. A copy of the By-laws, as amended at the Board Meeting, is filed as Exhibit 99.3 hereto and which is incorporated herein by reference.

Item 8.01 Other Events.

Incentive Stock Plan

At the Annual Meeting, the Registrant's stockholders approved a proposal to amend the Registrant's Incentive Stock Plan by increasing by 2,000,000 the number of shares of common stock of the Registrant reserved for issuance thereunder.

Reimbursement of Expenses

At the Board Meeting, the Board approved the Registrant's reimbursement of ZelnickMedia for all of its reasonable expenses, costs and other third party fees (including, without limitation, reasonable fees and disbursements of counsel) incurred or to be incurred by ZelnickMedia, its directors, officers, employees, counsel, agents and representatives in connection with, relating to or arising out of its work related to the Registrant, the matters relating to the Annual Meeting or any actions taken at the Annual Meeting by certain stockholders of the Registrant in connection with agreements among them and ZelnickMedia or the Board Meeting or any public filings made or to be made in respect of any of the foregoing.

SEC Formal Order

In response to a letter request made by counsel to the Registrant dated March 15, 2007, the Registrant received from the U.S. Securities and Exchange Commission (the "SEC") a Formal Order of Private Investigation which allows the SEC, among other things, to subpoena witnesses in connection with the SEC's investigation of the stock option practices of the Registrant and/or its directors, officers and/or employees.

Press Release

On March 29, 2007, the Registrant issued a press release, a copy of which is filed as Exhibit 99.4 hereto and which is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit 99.1	Management Agreement between Take-Two Interactive Software, Inc. and ZelnickMedia Corporation dated March 30, 2007.
Exhibit 99.2	Separation Agreement and General Release between Take-Two Interactive Software, Inc. and Paul Eibeler dated April 4, 2007.
Exhibit 99.3	Amended and Restated By-laws of Take-Two Interactive Software, Inc.
Exhibit 99.4	Press Release dated March 29, 2007.

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 thereunto duly authorized.

TAKE-TWO INTERACTIVE SOFTWARE, INC.
(Registrant)

By: /s/ Seth D. Krauss

Name: Seth D. Krauss
Title: Executive Vice President and
General Counsel

Date: April 4, 2007

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (this "Agreement"), dated March 30, 2007, is by and between ZelnickMedia Corporation, a New York corporation ("ZelnickMedia"), and Take-Two Interactive Software, Inc., a Delaware corporation (the "Company").

WHEREAS, the Company desires to receive financial and management consulting services from ZelnickMedia, and to obtain the benefit of the experience of ZelnickMedia in business and financial management of companies engaged in businesses similar to the Company's; and

WHEREAS, ZelnickMedia desires to provide financial and management consulting services to the Company and the compensation arrangements set forth in this Agreement are designed to compensate ZelnickMedia for such services.

NOW, THEREFORE, in consideration of the foregoing and the respective agreements hereinafter set forth, and the mutual benefits to be derived herefrom, ZelnickMedia and the Company agree as follows:

1. Engagement. The Company hereby engages ZelnickMedia as its financial and management consultant, and ZelnickMedia hereby agrees to provide financial and management consulting services to the Company, all on the terms and subject to the conditions set forth below.

2. Services of ZelnickMedia. ZelnickMedia hereby agrees during the term of this engagement to consult with the board of directors (the "Board") and management of the Company and its subsidiaries in such manner and on such business and financial matters as may be reasonably requested from time to time by the Board, including but not limited to:

- (i) oversee and supervise the operations of the Company and its subsidiaries in accordance with policies established by the Board and usual and customary standards of efficient operation and maintenance;
 - (ii) assist in the preparation of operating budgets and business plans;
 - (iii) advise and assist the Company and its subsidiaries regarding their corporate and financial structure;
 - (iv) advise and assist the Company and its subsidiaries in formulating long-term business strategies;
 - (v) assist the Company in recruiting senior management;
 - (vi) advise and assist the Company in securing equity and/or debt financing and negotiating and structuring the terms of such financing;
 - (vii) assist the Company and its subsidiaries with controlled mergers and acquisitions with, and of, third party entities;
 - (viii) advise and assist the Company in evaluating potential sale or exit opportunities, structuring and negotiating a sale of the Company, or leveraged recapitalization;
 - (ix) assist the Company in its attempts to resolve the investigations and litigations currently pending against the Company; and
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- (x) respond to Board requests concerning, and perform any other management services incidental to, the foregoing, or any other management or advisory services reasonably requested by the Board from time to time and to which ZelnickMedia agrees.

3. Personnel; Chairman. ZelnickMedia shall provide and devote to the performance of this Agreement such employees, agents and representatives of ZelnickMedia, and for such time, as ZelnickMedia shall deem appropriate for the furnishing of the services required hereunder. In addition, during the term of this Agreement, Strauss Zelnick will be entitled to serve as the chairman of the Company so long as (x) he is alive and not incapacitated and (y) this Agreement has not been terminated for Cause (as defined below); provided that nothing herein shall prohibit the removal of Mr. Zelnick for Cause at any time. As chairman, Mr. Zelnick will interact with the full Board, and will be delegated authority to hire and/or terminate the employment of, from time to time, the chief executive officer and the chief financial officer of the Company, subject to the final approval of the Compensation Committee of the Board. The chief executive officer of the Company will report to the chairman, as well as to the Board. At the request of ZelnickMedia, the Company will take all actions as may be permitted under applicable law to cause two designees of ZelnickMedia, initially Strauss Zelnick and Benjamin Feder, to be elected to the Board.

4. Management Fee. On the date hereof and on the first day of each month during the term of this Agreement (each, a “Payment Date”), the Company shall pay to ZelnickMedia a monthly management fee of \$62,500 (\$750,000 per annum) in immediately available funds (the “Management Fee”). During the first 12 months of the term of this Agreement, neither the Management Fee nor the Annual Bonus payable in respect thereof shall be increased, except as provided in Section 18 below; provided, however, that nothing in the preceding clause shall require the Company to increase either of such payments following the end of such 12-month period.

5. Annual Bonus. In addition to the Management Fee, ZelnickMedia shall receive an annual bonus of up to \$750,000 per year (the “Annual Bonus”), determined with respect to each fiscal year ending after the date hereof, and payable within 15 days of the Company’s receipt of its audited financial statements for the applicable fiscal year, as follows:

(i) In the event actual results in a given fiscal year during the term of this Agreement are less than 80% of the Target (as defined below), the Annual Bonus shall be zero.

(ii) In the event actual results in a given fiscal year during the term of this Agreement are equal to or greater than 80% of the Target but less than 100% of the Target, the Annual Bonus shall be between zero and \$375,000, pro rated on a straight-line basis between 80% and 100% based upon the actual percentage of Target achieved.

(iii) In the event actual results in a given fiscal year during the term of this Agreement are equal to or greater than 100% of the Target but less than 120% of the Target, the Annual Bonus shall be between \$375,000 and \$750,000, pro rated on a straight-line basis between 80% and 100% based upon the actual percentage of Target achieved.

(iv) In the event actual results in a given fiscal year during the term of this Agreement are equal to or greater than 120% of the Target, the Annual Bonus shall be \$750,000.

The term “Target” shall mean budgeted EBITDA of the Company (or other measurement of financial performance reasonably determined by the members of the Board, excluding the designees of ZelnickMedia pursuant to Section 3 above, and agreed with ZelnickMedia for a particular year), determined within 30 days of the beginning of that year (and with respect to the current year, within 60 days from the date Strauss Zelnick takes office as chairman) by mutual agreement of the Company and ZelnickMedia, each acting reasonably and in good faith, and measured without giving effect to any payments under this Agreement.

6. Equity Award. No earlier than 90 days nor later than 150 days from March 30, 2007, the Company shall simultaneously issue to ZelnickMedia or any designated affiliate thereof:

(i) an option, transferable to any affiliate of ZelnickMedia, to purchase a number of shares of common stock of the Company representing 2.5% of the outstanding common stock of the Company on a fully diluted basis on the date of issuance, such options to have a ten (10)-year term, to vest monthly in equal portions over three (3) years (with accelerated vesting in full upon (x) a Change of Control, (y) termination of this Agreement by the Company (except for Cause (as defined below), in which case the unvested portion of such options shall not vest and shall automatically terminate), or (z) termination of this Agreement by ZelnickMedia (except without Good Reason (as defined below), in which case the unvested portion of such options shall not vest and shall automatically terminate)), to have a strike price equal to the closing price of the common stock on the date of issuance and to have such other customary terms as are reasonably acceptable to ZelnickMedia; and

(ii) a number of shares (not less than zero) of restricted common stock, transferable to any affiliate of ZelnickMedia, equal to the quotient of $A[B-C]/B$, where $A = 2.5\%$ of the outstanding common stock of the Company on a fully diluted basis on the date of issuance, $B =$ the closing price of the common stock on the date of issuance of the restricted common stock and $C = \$16.00$ (A and C to be adjusted proportionately for any stock split, stock combination or similar event prior to the date of issuance), such shares to be subject to vesting upon the earliest to occur of (w) three (3) years from the date hereof, (x) a Change of Control, (y) termination of this Agreement by the Company (except for Cause (as defined below), in which case such shares shall not vest and shall automatically terminate), or (z) termination of this Agreement by ZelnickMedia (except without Good Reason (as defined below), in which case such shares shall not vest and shall automatically terminate).

Until October 31, 2011 or earlier if this Agreement is earlier terminated pursuant to Section 8 below, ZelnickMedia shall not sell or otherwise dispose (other than to an affiliate of ZelnickMedia) of any shares of common stock of the Company acquired upon exercise of its option granted pursuant to clause (i) above or vested pursuant to clause (ii) above and the preceding restriction shall not be waivable by the Company without the approval of stockholders holding a majority of the Company's outstanding voting securities at the time such approval is given; provided, however, that the foregoing shall not limit the right of ZelnickMedia and/or an affiliate of ZelnickMedia to sell or otherwise dispose of that number of shares of common stock of the Company necessary to satisfy any taxes imposed on ZelnickMedia, its shareholders, such affiliate and/or its members or partners, as a result of the exercise of the option granted pursuant to clause (i) above or vesting of the shares granted pursuant to clause (ii) above or in connection with the transfer of shares by ZelnickMedia to such affiliate. For the avoidance of doubt, the option issued pursuant to clause (i) above and the shares issued pursuant to clause (ii) above shall be issued on the same day.

7. Expenses. The Company shall promptly reimburse ZelnickMedia for all reasonable travel expenses (business class airfare in the case of domestic travel and first class airfare in the case of any international travel, if applicable) and other reasonable out-of-pocket fees and expenses as have been or may be incurred (before or after the date of this Agreement) by ZelnickMedia, its directors, officers, employees, counsel, agents and representatives in connection with any and all transactions relating to this Agreement, ZelnickMedia's engagement hereunder, and the rendering of services hereunder (including, but not limited to, attorneys' fees, other advisors' fees and fees and expenses incurred in attending Company-related meetings).

8. **Term.** This Agreement will continue from the date hereof until October 31, 2011, unless earlier terminated by either ZelnickMedia or the Company in accordance with this Section 8, with automatic renewal for successive one-year periods unless either party gives written notice to the other at least 90 days prior to the expiration of the initial term or any one-year period, as applicable, of such party's intention to terminate this Agreement at the end of such initial term or one-year period. This Agreement may be terminated by the Company for Cause (as defined below) or by ZelnickMedia for Good Reason (as defined below) or upon a Change in Control and may be terminated upon 30 days' written notice by the Company without Cause or by ZelnickMedia without Good Reason. If this Agreement is terminated by the Company or ZelnickMedia prior to October 31, 2011, ZelnickMedia will be entitled to the following: (a) if this Agreement is terminated by the Company for Cause or by ZelnickMedia without Good Reason, ZelnickMedia shall be paid on the date of termination all earned but unpaid Management Fees and all accrued but unpaid Annual Bonus, and shall retain the vested portion of the equity described in Section 6 above; (b) if this Agreement is terminated by the Company without Cause, by ZelnickMedia for Good Reason or upon a Change in Control (as defined below), ZelnickMedia shall be paid on the date of termination all earned but unpaid Management Fees and accrued but unpaid Annual Bonus, all Management Fees that would have been paid through October 31, 2011, and the amount of the Annual Bonus that would have been paid for the current year based on the year-to-date performance of the Company, and all unvested equity described in Section 6 above shall vest. In addition, if this Agreement is terminated in connection with a Change in Control, ZelnickMedia shall be paid on the date of termination all Annual Bonus payments that would have been payable through October 31, 2011, assuming 50% of the maximum Annual Bonus would be payable in each future fiscal year. If this Agreement is terminated on or after October 31, 2011, ZelnickMedia shall be paid on the date of termination all earned but unpaid Management Fees and accrued but unpaid Annual Bonus, all Management Fees that would have been paid through the end of the then current term, and the amount of the Annual Bonus that would have been paid for the current year based on the year-to-date performance of the Company. Notwithstanding the foregoing, upon any termination for Cause pursuant to clause (a) of the definition thereof all equity granted under Section 6 above shall be unvested and subject to forfeiture.

For purposes of this Section 8, "**Cause**" means (a) the conviction of, or a plea of guilty or nolo contendere by, either Strauss Zelnick or Benjamin Feder of any felonious criminal act (other than traffic-related offenses or as a result of vicarious liability), (b) fraud, or (c) any act or omission involving malfeasance or gross negligence by ZelnickMedia in the performance of its obligations hereunder, in the case of each of clauses (b) through (c) above, that relates to and damages the Company and, if capable of being cured so that the Company is not materially damaged, is not so cured within 15 days after receipt by ZelnickMedia of written notice thereof. "**Good Reason**" means (x) a condition that materially impairs the ability of ZelnickMedia or Strauss Zelnick to perform the duties or responsibilities of ZelnickMedia or Strauss Zelnick, as applicable, as contemplated herein, (y) the failure by the Company to perform any of its material obligations under this Agreement (including without limitation its obligations to cause two designees of ZelnickMedia to be elected to the Board, if requested by ZelnickMedia), or (z) the requirement that ZelnickMedia's place of service be located outside a 10-mile radius of New York City, NY. A "**Change in Control**" means any transaction or occurrence (or series of related transactions or occurrences) which results at any time in any of (i) a sale of all or substantially all of the consolidated assets of the Company and of its subsidiaries, or a consolidation, reorganization, merger, or other business combination of the Company with or into, any other person or entity if, after such transaction the stockholders of the Company immediately prior to such transaction beneficially hold, directly or indirectly, less than a majority of the outstanding voting units of the purchasing or surviving parent entity in such transaction, on a fully diluted basis, (ii) a change in the majority of the members of the board of directors of the Company to Persons who were neither (x) nominated or appointed by the current board of directors of the Company nor (y) nominated or appointed by directors so nominated or appointed, or (iii) an acquisition by any individual, general partnership, limited partnership, limited liability company, corporation, trust, estate, real estate investment trust association or any other entity (each, a "**Person**") or group of Persons (other than the Company or any subsidiary of the Company or any of their affiliates) of the outstanding securities of the Company in a transaction or series of transactions, if immediately thereafter such acquiring Person or group has, or would have, beneficial ownership of more than fifty percent (50%) of the combined equity interests or voting power of the Company; provided that mere formation of a group will not itself constitute a Change of Control. A Change of Control shall be deemed to occur as of the effective date of the first event, action or transaction leading to one of the results described above. Notwithstanding the foregoing, the actions taken at the annual meeting of the Company to be held on or about March 23, 2007 (or any adjournment thereof) shall not constitute a Change in Control under this Agreement.

No termination of this Agreement, whether pursuant to this paragraph or otherwise, shall affect the Company's obligations with respect to any and all reasonable fees, costs and expenses incurred by ZelnickMedia in rendering services hereunder and not reimbursed by the Company as of the effective date of such termination or the Company's indemnification and contribution obligations.

9. Confidentiality; Non-Solicitation. ZelnickMedia shall not at any time during or after the term of this Agreement, directly or indirectly, except as in good faith deemed necessary or desirable to perform any of its obligations hereunder, to defend its own rights or as required by applicable law or legal process, disclose or use for its own benefit or purposes or the benefit or purposes of any other person, firm, partnership, joint venture, association, corporation or other business organization, entity or enterprise other than the Company and any of its subsidiaries or affiliates, any trade secrets, information, data, or other information, including, without limitation, relating to customers, development programs, costs, marketing, trading, investment, sales activities, promotion, credit and financial data, manufacturing processes, financing methods, plans, or the business and affairs of the Company, or of any subsidiary or affiliate of the Company; provided, that the foregoing shall not apply to information which is generally known to the industry or the public other than as a result of ZelnickMedia's breach of this covenant or information obtained by ZelnickMedia prior to the execution of this Agreement or not in connection with its performance of its obligations under this Agreement. ZelnickMedia agrees that upon termination of this Agreement, upon the Company's request, it shall immediately return to the Company all memoranda, books, papers, plans, information, letters and other data, and all copies thereof or therefrom, in any way relating to the business of the Company and its affiliates, except that ZelnickMedia may retain such personal notes, notebooks and diaries that do not contain confidential information of the type described above. For a period beginning on the date hereof and ending one year after the date of termination of this Agreement, except in the event this Agreement is terminated upon a Change in Control, by the Company without Cause or by ZelnickMedia for Good Reason, ZelnickMedia shall not in any capacity, either individually or in association with others, employ or solicit for employment (other than in any general solicitation) any person who is an employee of the Company or its affiliates at the level of vice president or higher immediately prior to such employment or during such solicitation.

10. Liability. Neither ZelnickMedia nor any of its affiliates, directors, officers, employees, counsel, agents or representatives shall be liable to the Company or its subsidiaries or affiliates for any loss, claim, liability, damage or expense arising out of or in connection with the performance of services contemplated by this Agreement, other than any loss, claim, liability, damage or expense to the extent determined by the final judgment of a court of competent jurisdiction to have been caused from the gross negligence, fraud, bad faith or willful misfeasance of ZelnickMedia or its affiliates.

11. Indemnification; D&O Insurance. To the fullest extent permitted by applicable law, the Company shall indemnify and hold harmless ZelnickMedia and its affiliates, and each of their respective members, managers, directors, officers, employees, counsel, agents, representatives, contractors and affiliates (each such individual or entity to be referred to hereinafter as an "Indemnified Person"), from and against any loss, claim, damage or liability, joint or several, and any action in respect thereof, whether or not involving a third party, to which an Indemnified Person may be subject, insofar as such loss, claim, damage, liability or action relates to, arises out of or results from any Covered Event (as such term is defined below) or alleged Covered Event, and will reimburse such Indemnified Person upon request for all expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by such Indemnified Person in connection with investigating, defending or preparing to defend against any such loss, claim, damage, liability or action, as such expenses are incurred or paid. The term "Covered Event" shall mean (a) any action taken, or services performed, by an Indemnified Person, related to or consistent with the terms of this Agreement, or (b) any action taken, or omitted to be taken, by the Company or any of its managers, directors, officers, employees, agents or affiliates, in connection with any matter in which an Indemnified Person has been involved pursuant to this Agreement; provided, that the term "Covered Event," with respect to an Indemnified Person, shall exclude any loss, claim, damage, liability or expense to the extent determined by the final judgment of a court of competent jurisdiction to have been caused from the gross negligence, fraud, bad faith or willful misfeasance of such Indemnified Person or any affiliate thereof. The Company shall cover the designees of ZelnickMedia under directors and officers liability insurance both during and, while potential liability exists, after the term of the Agreement in amounts reasonably requested by ZelnickMedia.

12. Independent Contractor. ZelnickMedia and the Company agree that ZelnickMedia shall perform services hereunder as an independent contractor, retaining control and direction over and responsibility for its own operations and personnel. Neither ZelnickMedia nor their directors, officers or employees shall be considered employees or agents of the Company or its subsidiaries as a result of this Agreement nor shall any of them have authority to contract in the name of or bind the Company, except as expressly agreed to in writing by the Company, including as provided in this Agreement.

13. Notices. Any notice, report or payment required or permitted to be given or made under this Agreement by one party to the other shall be deemed to have been duly given or made if personally delivered or, if mailed, when mailed by registered or certified mail, postage prepaid, to the other party at the following addresses (or at such other address as shall be given in writing by one party to the other):

If to ZelnickMedia:

ZelnickMedia Corporation
650 5th Avenue
New York, NY 10019
Telephone: (212) 223-1383
Facsimile: (212) 223-1384
Attention: Benjamin Feder

If to the Company:

Take-Two Interactive Software, Inc.
622 Broadway
New York, NY 10012
Telephone: (646) 536-2842
Facsimile:
Attention:

14. Entire Agreement; Modification. This Agreement (a) contains the complete and entire understanding and agreement of ZelnickMedia and the Company with respect to the subject matter hereof; and (b) supersedes all prior and contemporaneous understandings, conditions and agreements, oral or written, express or implied, respecting the engagement of ZelnickMedia in connection with the subject matter hereof. This Agreement may not be amended or modified except by written instrument executed by both ZelnickMedia and the Company.

15. Waiver of Breach. The waiver by either party of a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach of that provision or any other provision hereof.

16. Assignment. ZelnickMedia may assign its rights or obligations under this Agreement only with the express written consent of the Company, such consent not to be unreasonably withheld. The Company may not assign its rights or obligations under this Agreement.

17. Successors. This Agreement and all the obligations and benefits hereunder shall inure to the successors and permitted assigns of the parties.

18. Failure to Pay. If for any reason the Company does not pay the Management Fee, Annual Bonus or any other amount due under this Agreement when due, then such amount shall accrue interest at a rate of 1% per month and shall continue to be payable and shall be paid by the Company as soon as it can be paid. The preceding sentence shall not limit any other remedies of ZelnickMedia in the event amounts are not paid when due.

19. Counterparts. This Agreement may be executed and delivered by each party hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original and both of which taken together shall constitute one and the same agreement.

20. Choice of Law. This Agreement and any dispute arising hereunder shall be governed by and construed in accordance with the domestic laws of the State of Delaware, without giving effect to any choice of law or conflict of laws provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. Each party consents to the *in personam* jurisdiction of the Court of Chancery or other courts of the State of Delaware and the United States District Court located in the State of Delaware in connection with any claim or dispute arising under or in connection with this Agreement.

21. Severability. If any provision of this Agreement is or becomes illegal, invalid or unenforceable under any law or regulation of any jurisdiction, it shall, as to such jurisdiction, be deemed modified to the least degree necessary to conform to the requirements of such law or regulation, or if for any reason it is not deemed so modified, it shall be illegal, invalid or unenforceable only to the extent set forth in the law or regulation without affecting the legality, validity or enforceability of such provision in any other jurisdiction or the remaining provisions of this Agreement.

22. Section 409A. Notwithstanding anything to the contrary contained in this Agreement, in the event that one or more payments under this Agreement are subject to Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and would cause ZelnickMedia to incur any additional tax or interest under Section 409A of the Code or any regulations or Treasury guidance promulgated thereunder, the Company shall, at no additional cost to the Company, after consulting with ZelnickMedia and receiving ZelnickMedia's approval, reform and appropriately adjust such provision; provided that the Company agrees to maintain, to the maximum extent practicable without any such additional cost to the Company, the original intent and economic benefit to ZelnickMedia of the applicable provision without violating the provisions of Section 409A of the Code.

* * * * *

IN WITNESS WHEREOF, the parties hereto have caused this Management Agreement to be duly executed and delivered on the date and year first above written.

ZELNICKMEDIA CORPORATION

By: /s/ Strauss Zelnick

Name: Strauss Zelnick

TAKE-TWO INTERACTIVE SOFTWARE, INC.

By: /s/ Seth D. Krauss

Name: Seth D. Krauss
Title: EVP and General Counsel

[Management Agreement]

SEPARATION AGREEMENT AND GENERAL RELEASE

This Separation Agreement and General Release is made and entered into as of April 4, 2007 (this "**Agreement**"), by and between Paul Eibeler (the "**Executive**") and Take-Two Interactive Software, Inc., a Delaware corporation (together with its parents, subsidiaries, affiliates and related entities, the "**Company**"). The purpose of this Agreement is to acknowledge, and set forth the terms of, the Executive's termination of employment with the Company.

1. **Termination Date.** The Executive hereby confirms that (a) effective as of April 4, 2007 (the "**Termination Date**"), his employment with the Company terminated, (b) effective as of March 29, 2007, he resigned from his position as Chief Executive Officer and President of the Company, and (c) he will not be eligible for any benefits or compensation after the Termination Date, other than as specifically provided herein. In addition, effective as of the Termination Date, the Executive hereby confirms his resignation from all other offices, directorships, trusteeships, committee memberships and fiduciary capacities held with, or on behalf of, the Company or its subsidiaries or any benefit plans of the Company. The Executive acknowledges and agrees that he will not represent himself as being an employee, officer, director, trustee, member, partner, agent or representative of the Company or any of its subsidiaries for any purpose and will not make any public statements on behalf of the Company or any of its subsidiaries.

2. **Severance Payments.** Subject to the terms and conditions of this Agreement, including the Executive's executing (and not revoking) this Agreement, the Executive will be entitled to receive the following:

(a) Subject to the provisions of Section 19, an amount equal to \$2,475,000.00, which represents 1.5 times the total of the Executive's current annual base salary and target bonus for 2007, as soon as practicable following the Effective Date (as defined in Section 22).

(b) Any vesting or service requirements with respect to any stock options or shares of restricted stock granted to the Executive prior to the Termination Date will be deemed satisfied. Notwithstanding anything to the contrary in any agreement with the Company, any stock options granted to the Executive prior to the Termination Date that remain outstanding as of the Termination Date will remain exercisable until July 3, 2007. Executive and the Company acknowledge that as of the date of this Agreement, Executive's Company stock option and restricted stock holdings are as follows (all of which are fully vested as of the date of this Agreement): (i) 100,000 shares of restricted stock, (ii) options to purchase 450,000 shares of common stock of the Company at an exercise price per share of \$21.28; (iii) options to purchase 75,000 shares of common stock of the company at an exercise price per share of \$19.89.

(c) Executive's accrued, but unpaid base salary and accrued vacation through the Termination Date, and unreimbursed business expenses through the Termination Date (subject to the satisfaction of the requirements of the Company's business expense reimbursement policy), in each case payable in accordance with Company policy.

3. **The Executive's Consultancy Obligations.**

(a) The Executive agrees to serve in good faith as a consultant for the Company on an as-needed basis as determined by the Board of Directors of the Company or the Acting Chief Executive Officer of the Company, and the Executive agrees to be reasonably available to the Company for such purpose, during the period from the Termination Date through the earliest of (i) October 4, 2007 or (ii) the Executive's death, incapacity to provide services for more than 20 consecutive days or upon notice in the event of the Executive's willful misconduct, activities detrimental to the interests of the Company or breach of this Agreement which is not cured within five (5) days of written notice thereof (the "**Consulting Period**"). The Executive's services will be of an advisory nature only, primarily focusing on transition issues, and the Executive will have no power of decision with respect to any matters which are the subject of consultation and will not have any responsibility in connection with the active management of the Company.

(b) During the Consulting Period, subject to the provisions of Section 19, the Executive will be entitled to the following payments and benefits:

(i) A monthly consulting fee of \$50,000.00, payable in arrears on the first day of each month for six consecutive months commencing on May 1, 2007.

(ii) Subject to (A) the Executive's timely election of continuation coverage under the Consolidated Budget Omnibus Reconciliation Act of 1985, as amended ("**COBRA**") and (B) the Executive's continued copayment of premiums at the same level and cost to the Executive as if the Executive were an employee of the Company (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars), to the extent permitted under applicable law and the terms of such plan, during the period from the Termination Date through October 4, 2007, continued participation in the Company's group health plan which covers the Executive and his eligible dependents as of the Termination Date at the Company's expense (other than the aforementioned premiums), provided that the Executive is eligible and remains eligible for COBRA coverage; provided, however, that if the Executive accepts other employment (whether or not comparable) that offers substantially similar or improved group health benefits, the Executive will immediately notify the Company of his eligibility for such benefits and such continuation of coverage by the Company under this sub-paragraph (ii) will immediately cease.

(iii) A monthly car allowance of \$799.00.

(c) The Executive understands that he is responsible for the full reporting and payment of local, state and federal taxes and statutory benefits, including Social Security (FICA), workers compensation, disability, and unemployment insurance. No deductions, withholding, or additional payments for such purposes will be made by the Company. The Executive will indemnify and hold the Company harmless with regard to any failure of him to fulfill his obligations with regard to such taxes or statutory benefits. The Executive further understands and agrees that the services rendered by him pursuant to this Section 3 will be those of an independent consultant and not of an agent or employee of the Company and that he will not be eligible to participate in or entitled to receive any employee benefits from the Company as a result of the services rendered pursuant to this Section 3, even if subsequently determined by any court, the Internal Revenue Service or any other governmental agency to be a common law employee of the Company.

(d) The Executive agrees that upon the termination or expiration of the Consulting Period, he will sign and deliver to the Company an executed General Release for the period of the consultancy substantially similar in form to the document attached hereto as Exhibit A.

4. **Return of Property.** As soon as practicable after the date hereof, the Executive agrees to deliver to the Company (and will not keep in his possession, recreate or deliver to anyone else) any and all files or other property (both tangible and intellectual) of the Company (said property includes, but is not limited to, files, monthly management financial booklets, projections, forecasts, balance sheets, income statements, audited financial statements, total cost development budgets, actual or prospective purchaser or customer lists, written proposals and studies, plans, drawings, specifications, reports to creditors, books, accounts, reports to directors, minutes, resolutions, certificates, bank account numbers, passwords, rolodexes, credit cards, computers, fax machines, cellular or other telephones, Blackberries, beepers, PDA's, keys, card access keys to any Company building, deeds, contracts, office equipment and supplies, records, computer disks, any other documents or things received or acquired in connection with the Executive's employment with the Company, etc.) without retaining any copies or extracts thereof.

5. **Full Discharge.** The Executive agrees and acknowledges that the payments and benefits provided in Section 2 and Section 3 and the other entitlements hereunder: (a) are in full discharge of any and all liabilities and obligations of the Company to the Executive, monetarily or with respect to employee benefits or otherwise, including any and all obligations arising under any alleged written or oral employment agreement, policy, plan or procedure of the Company, including the Employment Agreement dated May 6, 2005 between the Executive and the Company (the "**Employment Agreement**") and/or any alleged understanding or arrangement between the Executive and the Company or any of its officers or directors; and (b) exceed any payment, benefit, or other thing of value to which the Executive might otherwise be entitled but for this Agreement under any policy, plan or procedure of the Company or any prior agreement between the Executive and the Company, except for accrued, vested amounts under any tax-qualified pension plan maintained by the Company, which amounts, if any, will be paid in accordance with the terms of such plan or plans, or benefits required to be provided under COBRA.

6. Future Conduct and Obligations.

(a) The Executive, on behalf of himself, his agents, attorneys, heirs, dependents, executors, administrators, trustees, legal representatives and assigns, agrees that he will not (and will cause his affiliates to not) at any time engage in any form of conduct, or make any statements or representations, that disparage or otherwise impair the reputation, goodwill, or commercial interests of the Company, its management, directors, stockholders, subsidiaries, parents, and/or other direct or indirect affiliates.

(b) To the extent legally permissible and not inconsistent with Executive's rights and interests, the Executive will use reasonable best efforts to assist and cooperate with the Company (and its outside counsel) in connection with the defense or prosecution of any claim that may be made or threatened against or by the Company, or in connection with any ongoing or future investigation or dispute or claim of any kind involving the Company, including any proceeding before any arbitral, administrative, judicial, legislative, or other body or agency, including preparing for and testifying in any proceeding to the extent such claims, investigations or proceedings relate to services performed or required to be performed by the Executive, pertinent knowledge possessed by the Executive, or any act or omission by the Executive. The Executive will perform all acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Section 6(b).

(c) The Executive agrees to promptly inform the Company if the Executive becomes aware of any claim that may be made or threatened against the Company.

(d) The Executive hereby acknowledges the existence and applicability of the restrictions set forth in Section 7 of the Employment Agreement. Such restrictions will remain in full force and effect following the Termination Date as provided in the Employment Agreement.

7. General Release.

(a) For an in consideration of the payments to be made and the promises set forth in this Agreement, the Executive, with the intention of binding himself, his agents, attorneys, heirs, dependents, executors, administrators, trustees, legal representatives and assigns, does hereby (and will cause his affiliates to) irrevocably and unconditionally release, acquit, remise and forever discharge the Company, any and all of their employee benefit and/or pension plans or funds, insurers, successors and assigns, each of the parties to the agreement dated as of March 4, 2007 by and among OppenheimerFunds, Inc., D. E. Shaw & Co., L.P., S.A.C. Capital Management, LLC, Tudor Investment Corporation and ZelnickMedia Corporation and all of its or their past, present and/or future stockholders, partners, members, heirs, executors, administrators, agents, employees, officers, directors, managers, successors, insurers, assigns, attorneys, counsel, fiduciaries and trustees, whether acting as agents for the Company or in their individual capacities (the "Releasees"), of and from any and all manner of actions, cause or causes of action, suits, debts, sums of money, costs, interests, attorneys' fees, liabilities, contracts, accounts, reckonings, bonds, bills, specialties, covenants, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, charges, claims, counterclaims and demands, whatsoever, in law or in equity or otherwise, that the Executive now has or may have, whether mature, direct, derivative, subrogated, personal, assigned, both known and unknown, foreseen or unforeseen, contingent or actual, liquidated or unliquidated, arising from the beginning of the world until the date that the Executive signs this Agreement, including, but not limited to, any claims arising in any way out of his serving as a director of the Company, his hiring by the Company, his employment with the Company, or his separation from the Company. The Executive hereby expressly waives the benefits of any statute or rule of law which, if applied to this General Release, would otherwise exclude from its binding effect any claims not now known by the Executive to exist. The foregoing release of claims by the Executive includes, but is not limited to, any and all claims for damages, attorneys' fees, or costs under the Age Discrimination in Employment Act ("ADEA"), 29 U.S.C. § 621 et seq., the Americans with Disabilities Act ("ADA"), 42 U.S.C. § 12101 et seq., the Civil Rights Act of 1991, 42 U.S.C. § 1981a et seq., the Employee Retirement Income Security Act of 1974 ("ERISA"), 29 U.S.C. § 1001 et seq., the Fair Labor Standards Act ("FLSA"), 29 U.S.C. § 201 et seq., the Family and Medical Leave Act ("FMLA"), Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e et seq., the Sarbanes-Oxley Act of 2002, the United States Constitution, the Constitution of the State of New York, or of any other state or country, the New York State Human Rights Law, the New York Executive Law, the New York Labor Law, the New York City Administrative Code and all other similar federal, state, or municipal statutes or ordinances prohibiting discrimination or pertaining to employment, and any contract, tort, or common law theories with respect to the Executive's serving as a director of the Company, his hiring by the Company, his employment with the Company, or his separation from the Company.

(b) The Company and the Executive acknowledge and agree that the General Release set forth in Section 7(a) does not in any way affect: (i) the Executive's rights including but not limited to those of indemnification or contribution to which the Executive was entitled immediately prior to the Termination Date under the Company's By-laws, the Company's Certificate of Incorporation, that certain indemnification agreement dated June 21, 2006 between the Executive and the Company or otherwise with regard to the Executive's service as an officer and director of the Company; (ii) the Executive's rights as a stockholder (other than the right to sue, which is released); (iii) the Executive's accrued, vested rights under any tax-qualified pension plan maintained by the Company; and (iv) the rights of either party to take whatever steps may be necessary to enforce the terms of this Agreement or to obtain appropriate relief in the event of any breach of the terms of this Agreement.

8. **No Existing Suit.** The Executive represents and warrants that, as of the Effective Date of this Agreement, he has not filed or commenced any suit, claim, charge, complaint, action, arbitration, or legal proceeding of any kind against the Company. The Executive agrees that if he hereafter commences, joins in, or in any manner seeks relief through any suit arising out of, based upon, or relating to any of the claims released hereunder, or in any manner asserts against the Releasees any of the claims released hereunder, including through any motion to reconsider, reopen or appeal the dismissal of the action, then he will pay to the Releasees against whom such claim(s) is asserted, in addition to any other damages caused thereby, all attorneys' fees incurred by such Releasees in defending or otherwise responding to said suit or claim. Provided however, that the requirement that the Executive pay the Releasees attorneys' fees will not be applicable to a claim or portion of a claim that the release is not valid under the Older Workers Benefit Protection Act, or any claim asserted under the ADEA.

9. **No Participation in Third Party Civil Litigation.** The Executive agrees and promises not to voluntarily participate, without receiving the prior written approval of the Company, in any pending or future civil case, arbitration, agency proceeding, or other legal proceeding brought against the Company by a non-Governmental third party (“**Third Party Civil Litigation**”) with respect to any issues whatsoever. The Executive also agrees that he will not intentionally cause, encourage, or participate in any Third Party Civil Litigation maintained or instituted against the Company. Specifically, among other things, this **Section 9** is intended to preclude the Executive from (a) voluntarily providing any party involved in a Third Party Civil Litigation, as defined above, against the Company with any statement, oral or written, sworn or unsworn, to be used in connection with that Third Party Civil Litigation, and/or (b) voluntarily appearing for the purpose of providing deposition or trial testimony at such party’s request without the prior written approval of the Company.

10. **Certain Forfeitures in Event of Breach or Other Liability to the Company.** The Executive acknowledges and agrees that, notwithstanding any other provision of this Agreement, if the Executive breaches any obligation under this Agreement, which breach has a material impact on the Company, or there is a final determination by a court of competent jurisdiction, or an agreement by the Executive as part of a settlement, that the Executive is otherwise liable to the Company, the Company retains the right to recoup any and all benefits provided for in **Section 2** or **Section 3**, any damages suffered by the Company, plus reasonable attorneys’ fees incurred in connection with such recovery and, to the extent that such benefits have not been fully disbursed to the Executive, the Company reserves its rights to stop all future disbursements of such benefits.

11. **Entire Agreement.** This Agreement sets forth the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes all prior promises or agreements made by, to, or between the parties, whether oral or written with respect to the subject matter hereof, including the Employment Agreement (other than as specifically provided herein). This Agreement may not be amended except by a writing signed by all the parties. There are no other promises, agreements, or commitments made by, to, or between the parties, other than those set forth in the written text of this Agreement.

12. **No Transfer by Executive.** The Executive represents and warrants that he has not sold, assigned, transferred, conveyed or otherwise disposed of to any third party, by operation of law or otherwise, any action, cause of action, suit, debt, obligations, account, contract, agreement, covenant, guarantee, controversy, judgment, damage, claim, counterclaim, liability or demand of any nature whatsoever relating to any matter covered by this Agreement. This Agreement is personal to the Executive and he may not assign, pledge, delegate or otherwise transfer any of his rights, obligations or duties under this Agreement.

13. **Choice of Law; Jurisdiction; Venue.** This Agreement will be governed by, construed in accordance with, and enforced pursuant to the laws of the State of New York without regard to principles of conflict of laws. The parties hereto waive any defense of lack of jurisdiction or venue as not being a resident of New York County, New York, and hereby specifically authorize any action brought by either party to this Agreement to be instituted and prosecuted in either the Supreme Court of the State of New York, County of New York, or in the United States District Court for the Southern District of New York, at the election of the party bringing such action.

14. **Counterparts.** This Agreement may be executed (including by facsimile transmission) with counterpart signature pages or in counterparts, each of which together constitute one and the same instrument.

15. **Notices.** Any notice, waiver or other communication given hereunder will be delivered (except as set forth in Section 17 in respect of a written notice of revocation) as follows: (a) in the case of the Company, by personal delivery, certified or registered mail (return receipt requested), or delivery by a recognized overnight commercial courier, addressed to Seth Krauss, Esq., Executive Vice President and General Counsel, Take-Two Interactive Software, Inc., 622 Broadway, New York, New York, 10012, with a courtesy copy to Arnold S. Jacobs, Esq., Proskauer Rose LLP, 1585 Broadway, New York, New York 10036; and (b) in the case of Paul Eibeler, by personal delivery, certified or registered mail (return receipt requested), or delivery by a recognized overnight commercial courier, addressed to the last address on the records of the Company. Notices served will be deemed given and effective upon actual receipt (or refusal of receipt).

16. **Nonadmissibility; No Company Release.** Nothing contained in this Agreement, or the fact of its submission to the Executive, will be admissible evidence against the Company in any judicial, administrative, or other legal proceeding (other than an action for breach of this Agreement), or be construed as an admission of any liability or wrongdoing on the part of the Company of any violation of federal, state, or local statutory law, common law or regulation. Furthermore, nothing contained in this Agreement, is intended to be, or will be construed as, a release by the Company of any claims against the Executive.

17. **Knowing and Voluntary Waiver.** By signing this Agreement, the Executive expressly acknowledges and agrees that: (a) he has carefully read it and fully understands what it means; (b) he is hereby advised in writing to discuss this Agreement with an attorney before signing it; (c) he has been given at least 21 calendar days to consider this Agreement; (d) he has agreed to this Agreement knowingly and voluntarily and was not subjected to any undue influence or duress; (e) he may revoke his acceptance of this Agreement within seven days after he signs it by sending written notice of revocation as set forth below; and (f) on the eighth day after he executes this Agreement, this Agreement becomes effective and enforceable. The parties agree that the Executive may revoke this Agreement within seven days after the Executive executes the Agreement. Any revocation within this period must be submitted, in writing, to Seth Krauss, Esq., Executive Vice President and General Counsel, Take-Two Interactive Software, Inc., 622 Broadway, New York, New York, 10012, stating "I hereby revoke my acceptance of the Agreement." The revocation must be personally delivered to Mr. Krauss or mailed to him and postmarked within seven days of the Executive's execution of the Agreement. If the last day of the revocation period is a Saturday, Sunday or legal holiday, then the revocation period will be extended to the following day which is not a Saturday, Sunday or legal holiday. The Executive agrees that if he does not execute this Agreement or, in the event of revocation, he will not be entitled to receive any of the amounts or benefits under Section 2 (other than pursuant to Section 2(c)).

18. **Waiver of Jury Trial.** EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, VERBAL OR WRITTEN STATEMENT OR ACTION OF ANY PARTY HERETO.

19. **Tax Matters.**

(a) The Company may withhold from any amounts payable under this Agreement or otherwise such federal, state and local taxes as are required to be withheld (with respect to amounts payable hereunder or under any benefit plan or arrangement available to the Company's employees) pursuant to any applicable law or regulation.

(b) The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (collectively "Section 409A") and, accordingly, to the maximum extent permitted, this Agreement will be interpreted to be in compliance therewith. Notwithstanding any provision to the contrary in this Agreement, since the Executive is a "specified employee" within the meaning of that term under Section 409A(a)(2)(B) of the Code, then with regard to any payment or the provision of any benefit that is required to be delayed in compliance with Section 409A(a)(2)(B) of the Code, such payment or benefit will not be made or provided prior to the earlier of (A) the expiration of the six-month period measured from the date of the Executive's "separation from service" (as such term is defined under Section 409A) or (B) the date of the Executive's death (the "Delay Period"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section 19 (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) will be paid or reimbursed to the Executive in a lump sum, and any remaining payments and benefits due under this Agreement will be paid or provided in accordance with the normal payment dates specified for them herein. Notwithstanding the foregoing, to the extent that the foregoing applies to the provision of any ongoing welfare benefits to the Executive that would not be required to be delayed if the premiums therefore were paid by the Executive, the Executive will pay the full cost of premiums for such welfare benefits during the Delay Period and the Company will pay the Executive an amount equal to the amount of such premiums paid by the Executive during the Delay Period promptly after its conclusion. In no event whatsoever will the Company be liable for any additional tax, interest or penalties that may be imposed on the Executive by Section 409A or any damages for failing to comply with Section 409A or this Section 19.

20. **Third Party Beneficiaries.** Each Releasee will be a third party beneficiary to this Agreement, with full rights to enforce this Agreement and the matters documented herein.

21. **Interpretation.** The parties hereto acknowledge and agree that: (a) each party hereto and its counsel reviewed and negotiated the terms and provisions of the Agreement and have contributed to their revision; and (b) the rule of construction to the effect that any ambiguities are resolved against the drafting party will not be employed in the interpretation of the Agreement. The words “include”, “includes”, “included”, “including” and “such as” do not limit the preceding words or terms and will be deemed to be followed by the words “without limitation”.

22. **Effective Date.** This Agreement will not become effective or enforceable until seven days after the date of execution of this Agreement by the Executive (the “**Effective Date**”).

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year set forth at the head of this Agreement.

TAKE-TWO INTERACTIVE SOFTWARE, INC.

By: /s/ Seth D. Krauss

Name: Seth D. Krauss
Title: EVP and General Counsel

EXECUTIVE

By: /s/ Paul Eibeler

Paul Eibeler

Exhibit A

Form of General Release

For an in consideration of the good and valuable consideration provided for in the Separation Agreement and General Release dated as of April [●], 2007 (the "**Separation Agreement**"), by and between Paul Eibeler ("**Mr. Eibeler**") and Take-Two Interactive Software, Inc., a Delaware corporation (together with its parents, subsidiaries, affiliates and related entities, the "**Company**"), the receipt and sufficiency of which hereby are acknowledged, and to supplement the General Release in the Separation Agreement, Mr. Eibeler, with the intention of binding himself, his agents, attorneys, heirs, dependents, executors, administrators, trustees, legal representatives and assigns does hereby (and will cause his affiliates to) irrevocably and unconditionally release, acquit, remise and forever discharge the Company, any and all of their employee benefit and/or pension plans or funds, insurers, successors and assigns, each of the parties to the agreement dated as of March 4, 2007 by and among OppenheimerFunds, Inc., D. E. Shaw & Co., L.P., S.A.C. Capital Management, LLC, Tudor Investment Corporation and ZelnickMedia Corporation and all of its or their past, present and/or future stockholders, partners, members, heirs, executors, administrators, agents, employees, officers, directors, managers, successors, insurers, assigns, attorneys, counsel, fiduciaries and trustees, whether acting as agents for the Company or in their individual capacities (the "**Releasees**"), of and from any and all manner of actions, cause or causes of action, suits, debts, sums of money, costs, interests, attorneys' fees, liabilities, contracts, accounts, reckonings, bonds, bills, specialties, covenants, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, charges, claims, counterclaims and demands, whatsoever, in law or in equity or otherwise, that Mr. Eibeler now has or may have, whether mature, direct, derivative, subrogated, personal, assigned, both known and unknown, foreseen or unforeseen, contingent or actual, liquidated or unliquidated, arising from April [●], 2007 until the date that Mr. Eibeler signs this Agreement, covering any claims arising from this period with respect to Mr. Eibeler's relationship with the Releasees. Mr. Eibeler hereby expressly waives the benefits of any statute or rule of law which, if applied to this General Release, would otherwise exclude from its binding effect any claims not now known by Mr. Eibeler to exist. The foregoing release of claims by Mr. Eibeler includes, but is not limited to, any and all claims for damages, attorneys' fees, or costs under the Age Discrimination in Employment Act ("**ADEA**"), 29 U.S.C. § 621 et seq., the Americans with Disabilities Act ("**ADA**"), 42 U.S.C. § 12101 et seq., the Civil Rights Act of 1991, 42 U.S.C. § 1981a et seq., the Employee Retirement Income Security Act of 1974 ("**ERISA**"), 29 U.S.C. § 1001 et seq., the Fair Labor Standards Act ("**FLSA**"), 29 U.S.C. § 201 et seq., the Family and Medical Leave Act ("**FMLA**"), Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e et seq., the Sarbanes-Oxley Act of 2002, the United States Constitution, the Constitution of the State of New York, or of any other state or country, the New York State Human Rights Law, the New York Executive Law, the New York Labor Law, the New York City Administrative Code, and all other similar federal, state, or municipal statutes or ordinances prohibiting discrimination or pertaining to contract, tort, or common law theories with respect to Mr. Eibeler's relationship with the Releasees from April [●], 2007 through the signing of this General Release.

EXECUTIVE

Paul Eibeler

Dated: _____, 2007

TAKE-TWO INTERACTIVE SOFTWARE, INC.

* * * * *

AMENDED AND RESTATED BY-LAWS

* * * * *

ARTICLE I.

OFFICES

Section 1. The registered office shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. The corporation may also have offices at such other places both within and without the State of Delaware as the board of directors may from time to time determine or the business of the corporation may require.

ARTICLE II.

MEETINGS OF STOCKHOLDERS

Section 1. All meetings of the stockholders for the election of directors shall be held in the City of Wilmington, State of Delaware, at such place as may be fixed from time to time by the board of directors, or at such other place either within or without the State of Delaware as shall be designated from time to time by the board of directors and stated in the notice of the meeting. Meetings of stockholders for any other purpose may be held at such time and place, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual meetings of stockholders, commencing with the year 1994, shall be held on the Thursday following the second Tuesday in April if not a legal holiday, and if a legal holiday, then on the next secular day following, at 4:00 P.M., or at such other date and time as shall be designated from time to time by the board of directors and stated in the notice of the meeting, at which they shall elect by a plurality vote a board of directors, and transact such other business as may properly be brought before the meeting.

Section 3. Written notice of the annual meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.

Section 4. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 5. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the non-executive chairman or president and shall be called by the non-executive chairman, president or secretary at the request in writing of a majority of the board of directors, or at the request in writing of stockholders owning a majority in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 6. Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not less than ten nor more than sixty days before the date of the meeting, to each stockholder entitled to vote at such meeting.

Section 7. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 8. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 9. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the certificate of incorporation, a different vote is required in which case such express provision shall govern and control the decision of such question.

Section 10. Unless otherwise provided in the certificate of incorporation each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period.

Section 11. Unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE III.

DIRECTORS

Section 1. The number of directors which shall constitute the whole board shall be not less than one nor more than seven. Within such specified limits, the number of directors shall be determined by resolution of the board of directors or by the stockholders at the annual meeting or by written consent. The directors shall be elected at the annual meeting of the stockholders, except as provided in Section 2 of this Article III, and each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.

Section 2. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute. If, at the time of filling any vacancy or any newly created directorship, the directors then in office shall constitute less than a majority of the whole board (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least ten percent of the total number of the shares at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office.

Section 3. The business of the corporation shall be managed by or under the direction of its board of directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these by-laws directed or required to be exercised or done by the stockholders.

MEETINGS OF THE BOARD OF DIRECTORS

Section 4. The board of directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

Section 5. The first meeting of each newly elected board of directors shall be held at such time and place as shall be fixed by the vote of the stockholders at the annual meeting or by written consent and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event of the failure of the stockholders to fix the time or place of such first meeting of the newly elected board of directors, or in the event such meeting is not held at the time and place so fixed by the stockholders, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the board of directors, or as shall be specified in a written waiver signed by all of the directors.

Section 6. Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by the board.

Section 7. Special meetings of the board may be called by the non-executive chairman or president on reasonable notice to each director, either personally or by mail or by facsimile or by electronic transmission; special meetings shall be called by the non-executive chairman, president or secretary in like manner and on like notice on the written request of only one director.

Section 8. At all meetings of the board a majority of the directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum shall not be present at any meeting of the board of directors the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 9. Unless otherwise restricted by the certificate of incorporation or these by-laws, any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting, if all members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the board or committee.

Section 10. Unless otherwise restricted by the certificate of incorporation or these by-laws, members of the board of directors, or any committee designated by the board of directors, may participate in a meeting of the board of directors, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

COMMITTEES OF DIRECTORS

Section 11. The board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

Any such committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the certificate of incorporation, (except that a committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the board of directors as provided in Section 151(a) fix any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes or any other series of the same or any other class or classes of stock of the corporation) adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the by-laws of the corporation; and, unless the resolution or the certificate of incorporation expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock or to adopt a certificate of ownership and merger. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors.

Section 12. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

COMPENSATION OF DIRECTORS

Section 13. Unless otherwise restricted by the certificate of incorporation or these by-laws, the board of directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the board of directors and may be paid a fixed sum for attendance at each meeting of the board of directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

REMOVAL OF DIRECTORS

Section 14. Unless otherwise restricted by the certificate of incorporation or by law, any director or the entire board of directors may be removed, with or without cause, by the holders of a majority of shares entitled to vote at an election of directors.

ARTICLE IV.

NOTICES

Section 1. Whenever, under the provisions of the statutes or of the certificate of incorporation or of these by-laws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram or by any other manner permissible under the Delaware General Corporation Law.

Section 2. Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation or of these by-laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE V.

OFFICERS

Section 1. The officers of the corporation shall be a president, a vice-president, a secretary and a treasurer. The secretary and treasurer shall be chosen by the board of directors. The president shall be appointed and may be removed at any time, with or without cause, by the non-executive chairman. The holders of a majority of the outstanding shares of the corporation or the board of directors may elect a non-executive chairman, who need not be a director and, unless otherwise determined by the board of directors, shall not be an officer of the corporation and who shall preside at all meetings of the stockholders and the board of directors. Any number of offices may be held by the same person, unless the certificate of incorporation or these by-laws otherwise provide.

Section 2. The board of directors at its first meeting after each annual meeting of stockholders shall choose one or more vice-presidents, a secretary and a treasurer.

Section 3. The board of directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 4. The salaries of all officers and agents of the corporation shall be fixed by the board of directors.

Section 5. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the board of directors. Any vacancy occurring in any office of the corporation shall be filled by the board of directors.

THE PRESIDENT

Section 6. The president shall be the chief executive officer of the corporation, shall have general and active management of the business of the corporation and shall see that all orders and resolutions of the board of directors are carried into effect.

Section 7. He shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation.

THE VICE-PRESIDENTS

Section 8. In the absence of the president or in the event of his inability or refusal to act, the vice-president (or in the event there be more than one vice-president, the vice-presidents in the order designated by the directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice-presidents shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARY

Section 9. The secretary shall attend all meetings of the board of directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the board of directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or president, under whose supervision he shall be. He shall have custody of the corporate seal of the corporation and he, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his signature.

Section 10. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors (or if there be no such determination, then in the order of their election) shall, in the absence of the secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

Section 11. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors.

Section 12. He shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the president and the board of directors, at its regular meetings, or when the board of directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation.

Section 13. If required by the board of directors, he shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

Section 14. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors (or if there be no such determination, then in the order of their election) shall, in the absence of the treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

ARTICLE VI.

CERTIFICATES FOR SHARES

Section 1. The shares of the corporation shall be represented by a certificate or shall be uncertificated. Certificates shall be signed by, or in the name of the corporation by, the chairman or vice-chairman of the board of directors, or the president or a vice-president, and by the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the corporation.

Within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to Sections 151, 156, 202(a) or 218 (a) or a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 2. Any of or all the signatures on a certificate may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

LOST CERTIFICATES

Section 3. The board of directors may direct a new certificate or certificates or uncertificated shares to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates or uncertificated shares, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

TRANSFER OF STOCK

Section 4. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books. Upon receipt of proper transfer instructions from the registered owner of uncertificated shares such uncertificated shares shall be cancelled and issuance of new equivalent uncertificated shares or certificated shares shall be made to the person entitled thereto and the transaction shall be recorded upon the books of the corporation.

FIXING RECORD DATE

Section 5. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting: provided, however, that the board of directors may fix a new record date for the adjourned meeting.

Section 6. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII.

GENERAL PROVISIONS DIVIDENDS

Section 1. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the certificate of incorporation.

Section 2. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors shall think conducive to the interest of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

ANNUAL STATEMENT

Section 3. The board of directors shall present at each annual meeting, and at any special meeting of the stockholders when called for by vote of the stockholders, a full and clear statement of the business and condition of the corporation.

CHECKS

Section 4. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

FISCAL YEAR

Section 5. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

SEAL

Section 6. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

INDEMNIFICATION

Section 7. The corporation shall indemnify its officers and directors and any employees and agents to the extent permitted by the General Corporation Law of Delaware.

ARTICLE VIII.

AMENDMENTS

Section 1. These by-laws may be altered, amended or repealed or new by-laws may be adopted by the stockholders or by the board of directors, when such power is conferred upon the board of directors by the certificate of incorporation at any regular meeting of the stockholders or of the board of directors or at any special meeting of the stockholders or of the board of directors if notice of such alteration, amendment, repeal or adoption of new by-laws be contained in the notice of such special meeting. If the power to adopt, amend or repeal by-laws is conferred upon the board of directors by the certificate of incorporation it shall not divest or limit the power of the stockholders to adopt, amend or repeal by-laws.

Take-Two Interactive Software, Inc. Announces Results of Annual Meeting

Newly Appointed Board Names Strauss Zelnick Chairman; Ben Feder to Serve as Acting Chief Executive Officer

New York, NY - March 29, 2007 - Take-Two Interactive Software, Inc. (NASDAQ: TTWO) announced that, at the Annual Meeting of Take-Two stockholders held today, stockholders elected a new slate of directors to the Take-Two Board. The Take-Two Board of Directors now consists of Strauss Zelnick, Ben Feder, Jon J. Moses, Michael Dornemann, Michael James Sheresky and John Levy, who is an incumbent, independent director of Take-Two. Grover C. Brown, an incumbent, independent director, was also elected as a director at a meeting of the new Board of Directors held following the stockholders meeting.

At the direction of the new Take-Two Board, Strauss Zelnick, founding partner of ZelnickMedia became the new chairman of Take-Two. Since the formation of ZelnickMedia, Mr. Zelnick and his partners have led the successful execution of several operational turnarounds, including Columbia Music Entertainment of Japan and Time-Life. Prior to founding ZelnickMedia in 2001, Mr. Zelnick held a number of high-level media industry positions including president and chief executive officer of BMG Entertainment, president and chief executive officer of Crystal Dynamics, a producer and distributor of interactive entertainment software, and president and chief operating officer of 20th Century Fox.

In addition to Mr. Zelnick, the following individuals joined the Take-Two Board:

- Ben Feder, a partner of ZelnickMedia since 2001. Mr. Feder served previously as a senior executive at News Corp. He currently serves on the Board of Directors of Columbia Music Entertainment, traded on the Tokyo Stock Exchange. Mr. Feder has been named acting CEO, reporting to Mr. Zelnick. The Board is working with Paul Eibeler, former CEO and President of Take-Two, to ensure an orderly and effective transition.
- Jon J. Moses, CEO of UGO Networks, an online network of game sites. Mr. Moses previously served as the president of BMG Interactive.
- Michael Dornemann, an entertainment and marketing executive with more than 30 years of corporate development, strategic advisory, advertising and media experience. Previously, Mr. Dornemann was an executive board member of Bertelsmann AG for 16 years and CEO of BMG Entertainment. As CEO, Mr. Dornemann was responsible for the oversight of BMG's music, television and games operations in 56 countries.
- Michael James Sheresky, a senior vice president in the Motion Picture Department at the William Morris Agency. Sheresky focuses on representing major clients and developing business opportunities across the broad spectrum of the entertainment industry.
- John Levy and Grover C. Brown, incumbent, independent directors of Take-Two.

Strauss Zelnick, founding partner of ZelnickMedia, commented, "Take-Two has exceptional brands and creative resources, and we are thrilled to be able to work with the many talented people within the company. The new Board plans to put in place strategies designed to revitalize Take-Two, focus on supporting and enhancing its creative output, improve its margins and ensure that the 2007 release pipeline meets expectations. We are here to maximize the value of Take-Two for shareholders, for game consumers, and for the Company's employees."

The Company also announced that the Board of Directors ratified the management contract with ZelnickMedia, as described in previously issued Schedule 13D filings.

Additional Proposals

The proposal to amend Take-Two's Incentive Stock Plan to increase the number of shares of common stock reserved for issuance under the plan by 2,000,000 shares was approved.

The proposal to ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm to audit the Company's financial statements for its fiscal year ending October 31, 2007, was approved.

A shareholder proposal requesting that the Board of Directors' Compensation Committee include social responsibility, as well as corporate governance and financial criteria, in setting executive compensation was defeated.

About Take-Two Interactive Software

Headquartered in New York City, Take-Two Interactive Software, Inc. is a global developer, marketer, distributor and publisher of interactive entertainment software games for the PC, PlayStation® game console, PlayStation®2 and PLAYSTATION®3 computer entertainment systems, PSP® (PlayStation®Portable) system, Xbox® and Xbox 360™ video game and entertainment systems from Microsoft, Wii™, Nintendo GameCube™, Nintendo DS™ and Game Boy® Advance. The Company publishes and develops products through its wholly owned labels Rockstar Games, 2K and 2K Sports, and Global Star Software; and distributes software, hardware and accessories in North America through its Jack of All Games subsidiary. 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.

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

Safe Harbor Statement under the Private Securities Litigation 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 risks and uncertainties include the matters relating to the Special Committee's investigation of the Company's stock option grants and the restatement of our consolidated financial statements as well as the risks and uncertainties stated in this release. The investigation and conclusions of the Special Committee may result in claims and proceedings relating to such matters, including previously disclosed stockholder and derivative litigation and actions by the Securities and Exchange Commission and/or other governmental agencies and negative tax or other implications for the Company resulting from any accounting adjustments or other factors. In addition, there can be no assurance that the actions taken or to be taken by the Company as described herein will ensure the continued listing of the Company's common stock on NASDAQ. Other important factors are described in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2006 in the section entitled "Risk Factors".
