

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

May 29, 2003

TAKE-TWO INTERACTIVE SOFTWARE, INC.

(Exact name of registrant as specified in its charter)

Delaware

0-29230

51-0350842

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.C. Employer
Identification No.)

622 Broadway, New York, New York

10012

(Address of principal executive offices)

(Zip code)

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

Not Applicable

Former name or former address, if changed since last report

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(c) Exhibits

- 99.1 Press Release dated May 29, 2003 relating to Take-Two Interactive Software, Inc.'s financial results for the second fiscal quarter ended April 30, 2003.

Item 9. Regulation FD Disclosure

The information on this Form 8-K is being furnished to, but not filed with, the Securities and Exchange Commission solely under Item 12 of Form 8-K.

Item 12. Results of Operations and Financial Condition

On May 29, 2003, the Company issued a press release announcing its financial results for the second fiscal quarter ended April 30, 2003.

SIGNATURES

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

TAKE-TWO INTERACTIVE SOFTWARE, INC.

Date: May 29, 2003

By: /s/ Karl H. Winters

Karl H. Winters
Chief Financial Officer

Exhibit No.	Description
99.1	Press Release dated May 29, 2003 relating to Take-Two Interactive Software, Inc.'s financial results for the second fiscal quarter ended April 30, 2003.

CONTACT

COMPANY:	CORPORATE PRESS RELATIONS:
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Take-Two Interactive Software, Inc. Reports
Record Second Quarter Fiscal 2003 Financial Results

New York, NY - May 29, 2003 - Take-Two Interactive Software, Inc. (NASDAQ:TTWO) today announced record financial results for its second quarter and six months ended April 30, 2003.

Net sales for the second quarter ended April 30, 2003 were \$194.2 million, a 14% increase over \$170.3 million for the same period a year ago. Net income of \$15.2 million represented an increase of 58% compared to \$9.6 million last year, with diluted net income per share of \$0.36, a 44% increase over \$0.25 last year.

Net sales for the six months ended April 30, 2003 were \$603.0 million, a 33% increase over \$453.3 million for the same period a year ago. Net income of \$65.7 million represented an increase of 48% compared to \$44.5 million in the comparable period last year, with diluted net income per share of \$1.55, compared to \$1.16, an increase of 34%.

Guidance

Take-Two is raising its financial guidance for the fiscal year ending October 31, 2003 to \$975 million in net sales and \$2.28 of diluted net income per share. The Company is reiterating its guidance for the second half of fiscal 2003 and issuing guidance for the third quarter ending July 31, 2003 of \$142 million in net sales and \$0.16 of diluted net income per share.

Liquidity and Selected Balance Sheet Items

Take-Two generated approximately \$22 million in cash flow from operations during the quarter. Working capital was approximately \$264 million at April 30, 2003, as compared with \$146 million at the same time a year ago. The Company had more than \$188 million in cash as of April 30, 2003, as compared to approximately \$70 million in cash as of April 30, 2002.

Jeffrey Lapin, Chief Executive Officer, commented, "Our second quarter results reflect Take-Two's continued success as a leading independent publisher and distributor in the interactive entertainment industry, and our ability to capitalize on our strategically balanced business model in a challenging retail environment. Top-selling products from our world-renowned Rockstar Games label once again drove our publishing revenue. We also benefited from the significant investments we have made over the past year in building Jack of All Games into the leading North American distributor of interactive entertainment software, hardware and accessories, as the business realized considerable revenue growth during the quarter and showed significantly improved profitability."

Karl Winters, Chief Financial Officer, commented, "The second half of 2003 will mark the beginning of a significant growth phase for our Gathering label, which has rapidly expanded its product pipeline. The continued release of groundbreaking content from Rockstar Games and strong growth from our Jack of All Games distribution business, should lead to a strong conclusion to a record year. With Take-Two's highest ever level of cash, no debt, and earnings projected to grow over 25% in fiscal 2003, we have the financial resources in place to continue to invest in our business and generate meaningful growth in the future."

Publishing Highlights

In its second quarter of fiscal 2003, the Company's Rockstar Games shipped the highly anticipated *Midnight Club 2* for the PlayStation(R)2, the sequel to the 1.5 million unit selling *Greatest Hits PlayStation(R)2* launch title *Midnight Club*. Rockstar also released PlayStation(R)2 *Greatest Hits* and Xbox(TM) versions of its million unit selling *State of Emergency* title and an Xbox(TM) *Platinum Hits* version of its multi-million unit selling franchise *Max Payne*.

Gathering released *Vietcong* and *Tropico 2: Pirate Cove* for the PC. Gotham Games released *Conflict: Desert Storm* for the GameCube, *Piglet's Big Game* for the PlayStation(R)2 and GameCube, and *Patriotic Pinball* and *Big Strike Bowling* for the PlayStation(R).

In the third fiscal quarter, Take-Two's Rockstar Games has shipped *Grand Theft Auto: Vice City* for the PC. Other third quarter product releases are expected to include Rockstar's highly anticipated *Midnight Club 2* for the PC and Xbox(TM); Gotham Games' launch of the new title *Great Escape* in North America on PlayStation(R)2, PC and Xbox(TM) and *Motocross Mania 2* and *ATV Mania* for the PlayStation(R); and from Gathering, the sequels *Age of Wonders: Shadow Magic* and *Stronghold Warchest*, both for the PC.

Products planned for release in the fourth fiscal quarter include the launch of Rockstar Games' new title *Manhunt* for PlayStation(R)2 from Rockstar North, the developers of the global blockbuster *Grand Theft Auto* series. Gathering's extensive lineup includes *Mafia* for PlayStation(R)2, *Hidden & Dangerous 2* and *Railroad Tycoon 3*, sequels to the popular franchises which have individually sold over 1 million units, and *Space Colony*, a new title, all for the PC. Gotham Games expects to ship *Conflict: Desert Storm II* in North America for PlayStation(R)2, PC and Xbox(TM), MTV's *Celebrity Deathmatch* for PlayStation(R)2, PC, Xbox(TM), GameCube and PlayStation(R), and *Starsky & Hutch* in North America for PlayStation(R)2, PC and Xbox(TM).

Also, at the recent Electronic Entertainment Expo (E3) industry trade show, Take-Two announced several new products, including Rockstar's *Max Payne 2: The Fall of Max Payne*, the sequel to the hit franchise that has sold over 3.5 million units since its debut in 2001. The title is expected to launch on the PC this Fall, with console versions expected to be released shortly thereafter. Take-Two is also pleased to announce that Rockstar's *Grand Theft Auto: Vice City* for PlayStation(R)2 was named *Game of the Year* and *Best Adventure Game* by Sony Computer Entertainment America at their E3 *Publisher's Choice Awards*.

Distribution Highlights

Jack of All Games has firmly established itself as the leading North American distributor of videogame software and hardware. It offers a complete line of products, emphasizing compelling mid-priced and budget-priced software, to over 20,000 retail storefronts, including mass merchandisers, drug store and supermarket chains, and video and music retailers. *Jack of All Games* is uniquely positioned to continue to benefit from the proliferation of software products being introduced from publishers that do not have established distribution relationships, those who have excess inventory, and those who cannot efficiently publish their content at affordable price points. During the second quarter of fiscal 2003, *Jack of All Games* began to see the direct benefits of this strategy in the form of improved profitability and record distribution sales levels.

Management

Take-Two announced that its President, Paul Eibeler, has decided not to return to the Company following a medical leave of absence that began in early April. Mr. Eibeler, who had been President since July 2000, will be available to consult with management as needed in order to ensure an orderly transition of his responsibilities. Commenting on Mr. Eibeler's decision, Chief Executive Officer Jeffrey Lapin stated, "We are grateful for Paul's enormous contributions to the success of Take-Two during the past three years, and we wish him well in his future endeavors."

Conference Call

Take-Two will host a conference call today at 8:30 am Eastern Time to review its results for the second quarter and six months ended April 30, 2003 and to discuss its outlook. A live webcast of the call is available by visiting www.take2games.com, and a replay of the call will be archived through the close of business on Friday, June 6, 2003.

About Take-Two Interactive Software

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

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

Safe Harbor Statement under the Private Securities Reform Act of 1995: The statements contained herein which are not historical facts are considered forward-looking statements under federal securities laws. Such forward-looking statements are based on the beliefs of our management as well as assumptions made by and information currently available to them. The Company has no obligation to update such forward-looking statements. Actual results may vary significantly from these forward-looking statements based on a variety of factors. These important factors are described in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2002 and on Form 10-Q for the quarter ended January 31, 2003.

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TAKE-TWO INTERACTIVE SOFTWARE, INC. and SUBSIDIARIES
Consolidated Condensed Statements of Operations
For the three and six months ended April 30, 2003 and 2002 (unaudited)
(In thousands, except per share data)

	Three months ended April 30,		Six months ended April 30,	
	2003	2002	2003	2002
	----- (Unaudited)		----- (Unaudited)	
Net sales	\$ 194,213	\$ 170,330	\$ 603,007	\$ 453,256
Cost of sales				
Product costs	98,914	84,614	303,342	241,313
Royalties	19,460	21,481	56,348	41,649
Software development costs	3,365	938	6,716	3,893
Total cost of sales	----- 121,739	----- 107,033	----- 366,406	----- 286,855
Gross profit	72,474	63,297	236,601	166,401
Operating expenses				
Selling and marketing	22,461	20,522	56,915	42,517
General and administrative	16,970	18,924	48,329	37,921
Research and development	4,761	3,937	10,376	5,891
Depreciation and amortization	3,197	2,159	10,759	4,073
Total operating expenses	----- 47,389	----- 45,542	----- 126,379	----- 90,402
Income from operations	25,085	17,755	110,222	75,999
Interest (income) expenses, net	(743)	53	(1,088)	1,027
Gain on sale of marketable securities	-	(32)	(39)	(159)
Class action settlement costs	-	1,468	-	1,468
Total non-operating (income) expenses	----- (743)	----- 1,489	----- (1,127)	----- 2,336
Income before income taxes	25,828	16,266	111,349	73,663
Provision for income taxes	10,589	6,629	45,648	29,197
Net income	----- \$ 15,239	----- \$ 9,637	----- \$ 65,701	----- \$ 44,466
Per share data:				
Diluted:				
Weighted average common shares outstanding	----- 42,281	----- 38,768	----- 42,279	----- 38,280
Net income per share - Diluted	----- \$ 0.36	----- \$ 0.25	----- \$ 1.55	----- \$ 1.16
OTHER INFORMATION	----- 2003	----- 2002	----- 2003	----- 2002
Total revenue mix				
Publishing	65%	79%	72%	72%
Distribution	35%	21%	28%	28%
Geographic revenue mix				
North America	72%	76%	72%	78%
International	28%	24%	28%	22%
Publishing platform revenue mix				
Sony PlayStation 2	72%	82%	88%	82%
Sony PlayStation	6%	6%	4%	6%
Microsoft Xbox	4%	6%	2%	6%
PC	14%	5%	5%	4%
Accessories and other	4%	1%	1%	2%

TAKE-TWO INTERACTIVE SOFTWARE, INC. and SUBSIDIARIES
Consolidated Condensed Balance Sheets
As of April 30, 2003 (unaudited) and October 31, 2002
(In thousands, except share data)

ASSETS	April 30, 2003	October 31, 2002
	-----	-----
Current assets		
Cash and cash equivalents	\$ 188,350	\$ 108,369
Accounts receivable, net of provision for doubtful accounts and sales allowances of \$42,831 and \$29,194 at April 30, 2003 and October 31, 2002, respectively	100,213	107,188
Inventories, net	71,342	74,391
Prepaid royalties	12,566	13,723
Prepaid expenses and other current assets	15,614	19,569
Deferred tax asset	5,392	5,392
Total current assets	----- 393,477	----- 328,632
Fixed assets, net	18,432	15,319
Prepaid royalties	7,183	12,203
Capitalized software development costs, net	11,780	10,385
Investments	-	97
Goodwill, net	99,831	61,529
Intangibles, net	42,102	55,293
Deferred tax asset	7,983	7,983
Other assets, net	190	266
Total assets	----- \$ 580,978 =====	----- \$ 491,707 =====
LIABILITIES and STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 63,902	\$ 79,660
Accrued expenses and other current liabilities	49,527	49,821
Income taxes payable	16,124	1,603
Current portion of capital lease obligation	100	95
Total current liabilities	----- 129,653	----- 131,179
Capital lease obligation, net of current portion	125	201
Deferred tax liability	6,178	3,885
Total liabilities	----- 135,956 -----	----- 135,265 -----
Stockholders' equity		
Common stock, par value \$.01 per share; 50,000,000 shares authorized; 41,526,787 and 40,361,739 shares issued and outstanding	415	404
Additional paid-in capital	295,245	273,502
Deferred compensation	(1,908)	(227)
Retained earnings	153,505	87,804
Accumulated other comprehensive loss	(2,235)	(5,041)
Total stockholders' equity	----- 445,022	----- 356,442
Total liabilities and stockholders' equity	----- \$ 580,978 =====	----- \$ 491,707 =====