

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

March 4, 2004

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 March 4, 2004 relating to Take-Two
Interactive Software, Inc.'s financial results for the
first fiscal quarter ended January 31, 2004.

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 March 4, 2004, the Company issued a press release announcing its
financial results for the first fiscal quarter ended January 31, 2004.

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: March 4, 2004

By: /s/ Karl H. Winters

Karl H. Winters
Chief Financial Officer

Exhibit No.	Description
99.1	Press Release dated March 4, 2004 relating to Take-Two Interactive Software, Inc.'s financial results for the first fiscal quarter ended January 31, 2004.

Take-Two Interactive Software, Inc. Reports
First Quarter Fiscal 2004 Financial Results

NEW YORK--(BUSINESS WIRE)--March 4, 2004--Take-Two Interactive Software, Inc. (NASDAQ:TTWO) today announced financial results for its first quarter ended January 31, 2004.

Net sales for the first quarter ended January 31, 2004 were \$375.5 million, compared to \$411.0 million for last year's first quarter, a period which included holiday sales of the then newly released blockbuster title Grand Theft Auto: Vice City for PlayStation(R)2. Net income for the quarter was \$31.8 million, compared to \$51.5 million last year, with diluted net income per share of \$0.70 compared to \$1.22 last year.

Guidance

For the fiscal year ending October 31, 2004, Take-Two is reiterating its net sales guidance of \$1.22 billion and diluted net income per share guidance of \$2.45. For the second quarter ending April 30, 2004, Take-Two is reiterating its guidance of \$220 million in net sales, but reducing its diluted net income per share guidance to \$0.33 from its previous guidance of \$0.39. The reduction in earnings is due primarily to the shift in the release of Grand Theft Auto: Vice City for PlayStation 2 and PC in Japan from the second fiscal quarter to the third fiscal quarter. Net sales guidance has remained the same due to the strength of the Company's distribution business. Take-Two is issuing initial guidance for its third quarter ending July 31, 2004 of net sales between \$180 and \$200 million and diluted net income per share between \$0.12 and \$0.17.

Liquidity and Selected Balance Sheet Items

Take-Two generated approximately \$85 million in cash flow from operations for the quarter. Working capital was approximately \$380 million at January 31, 2004, as compared with approximately \$243 million at the same time a year ago. The Company had more than \$254 million in cash as of January 31, 2004, as compared to \$164 million in cash at January 31, 2003.

Publishing Highlights - First Quarter

Take-Two's Rockstar Games publishing label shipped the Grand Theft Auto Double Pack for the Xbox(R), consisting of Grand Theft Auto 3 and Grand Theft Auto: Vice City; Max Payne 2: The Fall of Max Payne for PlayStation 2 and Xbox; Manhunt for PlayStation 2; and Max Payne for the Game Boy(R) Advance in North America.

The Company's Gathering label shipped Mafia for PlayStation 2 in North America and the United Kingdom, and Vietcong: Fist Alpha, an add-on to the popular Vietcong, and Vietcong: Purple Haze, which includes Vietcong and Fist Alpha together, both for the PC. The Company also shipped Conflict: Desert Storm II for the GameCube(TM) and introduced the Xbox Platinum Hits version of Conflict: Desert Storm, both in North America only.

The Company also shipped Star Trek(TM): Shattered Universe for the PlayStation 2 and Xbox; and Ford Racing 2 and School Tycoon, both for the PC. Global Star's value-priced releases included Corvette for the Xbox and Game Boy Advance; and various titles under the Dora the Explorer, Muppets and Tonka brands.

Publishing Highlights - Second Quarter

Rockstar's lineup for the second quarter includes the launch of Red Dead Revolver on PlayStation 2 and Xbox from Rockstar San Diego, the developers of Rockstar Games' successful Midnight Club and Smuggler's Run franchises. The title will be in stores at the end of April. Manhunt for Xbox and the PC are expected to ship to North American retailers on April 20th, and are scheduled to be in European retail stores on April 23rd. Additionally, Max Payne for the Game Boy Advance will ship to European retailers in late March.

Earlier this month, Gathering shipped the international language versions of Mafia for PlayStation 2. The Xbox version of Mafia is also scheduled for release in North America and Europe this quarter. Also planned this quarter from Gathering in North America is Destruction Derby Arenas on PlayStation 2, the next generation installment to the successful PlayStation(R) franchise, Destruction Derby, complete with full online playability.

Global Star continues to focus on building strong, aggressively priced game franchises based on licensed brands, across various popular genres including racing, sports and action games. Earlier this

quarter, Global Star shipped Carve, a personal watercraft based racing game for the Xbox, with online racing capability on Xbox Live, and a Disney compilation for the PlayStation. Other titles planned for release this quarter include The Muppets, The Haunted Mansion, Virtual Pool 3, Ultimate Tycoon Pack, and Tropic Masters Edition, all for the PC; UFC: Sudden Impact and Corvette for PlayStation 2; Serious Sam: Next Encounter for the PlayStation 2 and Game Cube; and Serious Sam Advance for the Game Boy Advance.

Future Publishing Highlights

Rockstar expects to introduce The Warriors(TM), a new title based on the Paramount Pictures feature film in the third fiscal quarter. Rockstar also plans to release an extension of the Grand Theft Auto franchise for the Game Boy Advance in the third quarter. The release of Grand Theft Auto: Vice City for PlayStation 2 and PC in Japan, under a license agreement with Capcom Co., Ltd., has been moved from the second fiscal quarter to the third fiscal quarter.

Earlier this week Rockstar announced Grand Theft Auto: San Andreas, the next iteration in the globally successful franchise. Over 30 million units of the Grand Theft Auto franchise have been shipped to date, including over 11.5 million units of Grand Theft Auto: Vice City and over 10.5 million units of Grand Theft Auto 3. Developed by world-class designers Rockstar North, Grand Theft Auto: San Andreas will be available exclusively for the PlayStation 2 computer entertainment system and is expected to be in stores in North America on October 19, 2004 and in Europe on October 22, 2004.

As recently announced, Gathering has secured the North American publishing rights for Conflict: Vietnam, the next game in the successful Conflict series, scheduled for release on multiple platforms this fall. Products planned for release later this year also include several new titles from Gathering's distribution arrangement with Destineer Publishing.

Global Star's lineup of products for the balance of fiscal 2004 includes titles based on the Army Men and Virtual Pool franchises, as well as a title based on Cartoon Network's hit series Codename: Kids Next Door.

Distribution Highlights

The Company's Jack of All Games subsidiary, the leading North American distributor of videogame software, achieved record financial results in the first quarter, with net sales increasing 39%. Jack of All Games continues to capitalize on the growing installed base of hardware and proliferation of software titles and outlets to purchase software by emphasizing sales of both exclusive and non-exclusive mid- and budget-priced software to its expanding customer base.

During the first quarter, Jack of All Games continued to successfully execute on its strategy targeting the budget segment of the business. Several new exclusive titles were added to Jack of All Games' expanding portfolio, including products based on the popular Tom and Jerry, Sesame Street and Dr. Seuss brands, as well as all of Global Star's value-priced products.

Management Comments

Jeffrey C. Lapin, Chief Executive Officer, stated, "We believe 2004 presents a tremendous opportunity for Take-Two, particularly with the release of three major titles: Red Dead Revolver, The Warriors and Rockstar Games' most anticipated release of the year Grand Theft Auto: San Andreas. Additionally, we are leveraging the strengths of our Gathering and Global Star publishing labels and the strongest distribution network in North America to further build our position in the interactive entertainment industry."

Conference Call

Take-Two will host a conference call today at 8:30 am Eastern Time to review its results for the first quarter 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 Thursday, March 11, 2004.

About Take-Two Interactive Software

Headquartered in New York City, Take-Two Interactive Software, Inc. is an integrated global developer, marketer, distributor, and publisher of interactive entertainment software games and accessories for the PC, PlayStation(R) game console, PlayStation(R)2 computer entertainment system, Xbox(R), Nintendo GameCube(TM) and Game Boy(R) Advance. The Company publishes and develops products through its

wholly owned subsidiary labels: Rockstar Games, Gathering, Global Star and Joytech. The Company maintains sales and marketing offices in Cincinnati, New York, Toronto, London, Paris, Munich, Vienna, Milan, Sydney, Breda (Netherlands) and Auckland. Take-Two's common stock is publicly traded on NASDAQ under the symbol TTWO. For more corporate and product information please visit our website at www.take2games.com.

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

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

TAKE-TWO INTERACTIVE SOFTWARE, INC. and SUBSIDIARIES
Consolidated Condensed Statements of Operations
For the three months ended January 31,
2004 and 2003 (unaudited)
(In thousands, except per share data)

	Three months ended January 31,	
	2004	2003 - Restated
	----- (Unaudited)	
Net sales	\$375,512	\$411,008
Cost of sales		
Product costs	224,378	204,428
Royalties	19,998	37,282
Software development costs	3,982	3,351

Total cost of sales	248,358	245,061

Gross profit	127,154	165,947
Operating expenses		
Selling and marketing	35,902	34,454
General and administrative	24,040	31,359
Research and development	13,429	5,615
Depreciation and amortization	3,745	7,562

Total operating expenses	77,116	78,990
Income from operations	50,038	86,957
Interest income, net	(426)	(345)
Gain on Internet investments	-	(39)

Total non-operating (income) expenses	(426)	(384)
Income before income taxes	50,464	87,341
Provision for income taxes	18,706	35,806

Net income	\$31,758	\$51,535
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Per share data:

Diluted:		
Weighted average common shares outstanding	45,421	42,202
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Net income per share - Diluted	\$0.70	\$1.22
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OTHER INFORMATION Three months ended January 31,

	2004	2003
Total revenue mix		
Publishing	62%	75%
Distribution	38%	25%
Geographic revenue mix		
North America	80%	71%
International	20%	29%
Publishing platform revenue mix		
Sony PlayStation 2	57%	94%
Sony PlayStation	2%	3%
Microsoft Xbox	35%	1%
PC	2%	1%
Accessories and other	4%	1%

TAKE-TWO INTERACTIVE SOFTWARE, INC. and SUBSIDIARIES

Consolidated Condensed Balance Sheets

As of January 31, 2004 (unaudited) and October 31, 2003

(In thousands, except share data)

ASSETS	January 31, 2004	October 31, 2003
Current assets		
Cash and cash equivalents	\$254,153	\$183,477
Accounts receivable, net of allowances of \$82,675 and \$62,817 at January 31, 2004 and October 31 2003, respectively	145,464	166,536
Inventories, net	110,879	101,748
Prepaid royalties	16,707	12,196
Prepaid expenses and other current assets	30,732	41,112
Deferred tax asset	8,333	8,333
Total current assets	566,268	513,402
Fixed assets, net	23,839	22,260
Prepaid royalties	7,023	8,439
Capitalized software development costs, net	16,282	16,336
Goodwill, net	119,619	101,498
Intangibles, net	39,482	44,836
Other assets, net	489	527
Total assets	\$773,002	\$707,298

LIABILITIES and STOCKHOLDERS' EQUITY

Current liabilities		
Accounts payable	\$107,935	\$106,172
Accrued expenses and other current liabilities	67,199	56,707
Income taxes payable	10,841	2,265
Current portion of capital lease obligation	112	103
Total current liabilities	186,087	165,247

Capital lease obligation, net of current

portion	56	73
Deferred tax liability	8,486	8,486

Total liabilities	194,629	173,806

Stockholders' equity		
Common stock, par value \$.01 per share; 100,000,000 shares authorized; 44,580,156 and 44,227,215 shares issued and outstanding at January 31, 2004 and October 31, 2003, respectively	446	442
Additional paid-in capital	359,158	350,852
Deferred compensation	(1,057)	(1,890)
Retained earnings	216,782	185,024
Accumulated other comprehensive income (loss)	3,044	(936)

Total stockholders' equity	578,373	533,492

Total liabilities and stockholders' equity	\$773,002	\$707,298
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