

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

June 8, 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 June 8, 2004 relating to Take-Two Interactive Software, Inc.'s financial results for the second fiscal quarter ended April 30, 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 June 8, 2004 the Company issued a press release announcing its financial results for the second fiscal quarter ended April 30, 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: June 8, 2004

By: /s/ Karl H. Winters

Karl H. Winters
Chief Financial Officer

Exhibit No.	Description
99.1	Press Release dated June 8, 2004 relating to Take-Two Interactive Software, Inc.'s financial results for the second fiscal quarter ended April 30, 2004.

Take-Two Interactive Software, Inc. Reports Second Quarter Fiscal 2004 Financial Results; Richard W. Roedel Appointed Permanent Chief Executive Officer

NEW YORK--(BUSINESS WIRE)--June 8, 2004--Take-Two Interactive Software, Inc. (NASDAQ:TTWO) today announced financial results for its second quarter and six months ended April 30, 2004.

Net sales for the second quarter ended April 30, 2004 were \$153.4 million, compared to \$193.0 million for last year's second quarter, a period which included significant sales of the blockbuster title Grand Theft Auto: Vice City for PlayStation(R)2 and the then newly released title Midnight Club 2 for PlayStation 2. Net loss for the quarter was \$14.6 million, compared to net income of \$14.6 million last year, with a net loss of \$(0.33) per share compared to diluted net income per share of \$0.35 last year.

Net sales for the six months ended April 30, 2004 were \$528.9 million, compared to \$604.0 million for the same period a year ago. Net income of \$17.2 million compared to \$66.2 million in the comparable period last year, with diluted net income per share of \$0.38 compared to \$1.56.

Guidance

Take-Two is reducing its guidance for the third quarter ending July 31, 2004 and for the fiscal year ending October 31, 2004 to reflect lower than anticipated sales of the Company's catalog products, as well as changes in the Company's product release schedule (although there is no change in the release date for the highly anticipated Grand Theft Auto: San Andreas). In Take-Two's revised guidance, the reductions in publishing revenue are being partially offset by operating expense reductions.

The following is Take-Two's revised fiscal 2004 guidance:

- For the third quarter ending July 31, 2004, Take-Two's revised guidance is \$130 to \$140 million in net sales and a net loss of \$(0.28) to \$(0.33) per share, compared to prior guidance of \$180 to \$200 million in net sales and \$0.12 to \$0.17 in diluted net income per share.
- For the fiscal year ending October 31, 2004, Take-Two's revised guidance is \$1.125 to \$1.145 billion in net sales and \$1.60 to \$1.65 in diluted net income per share, compared to prior guidance of \$1.17 billion in net sales and \$2.00 in diluted net income per share.

The Company's fiscal 2004 guidance does not give effect to the letter of intent entered into between Take-Two and SEGA Corporation to co-publish and exclusively distribute on a worldwide basis SEGA's ESPN Videogames, as announced today.

Liquidity and Selected Balance Sheet Items

Take-Two generated approximately \$10 million in cash flow from operations for the quarter. Working capital was approximately \$362 million at April 30, 2004, as compared with approximately \$263 million at the same time a year ago. The Company had more than \$261 million in cash as of April 30, 2004, as compared to \$188 million in cash at April 30, 2003.

Publishing Highlights - Second Quarter

Take-Two's Rockstar Games publishing label shipped Manhunt for Xbox(R) and the PC in both North America and Europe, and Max Payne for the Game Boy(R) Advance in Europe.

Gathering shipped Mafia for Xbox in both North America and Europe and the international language versions of Mafia for PlayStation 2. Also released from Gathering this quarter, in North America only, was Destruction Derby Arenas on PlayStation 2.

Global Star Software continues to focus on building aggressively priced game franchises based on licensed brands, across various popular genres including racing, sports and action games. During the quarter, Global Star shipped Carve, a personal watercraft based racing game for the Xbox, with online racing capability on Xbox Live; Virtual Pool 3 for the PC; UFC: Sudden Impact and Corvette for PlayStation 2; Serious Sam: Next Encounter for the PlayStation 2 and Game Cube(TM); Serious Sam Advance for the Game Boy Advance; Dr. Seuss: Cat in the Hat for the PlayStation(R) and Game Boy Advance; and a Disney compilation for the PlayStation.

Publishing Highlights - Third Quarter

Rockstar launched Red Dead Revolver on PlayStation 2 and Xbox in North America at the end of April. Red Dead Revolver is from Rockstar San Diego, the developers of Rockstar Games' successful Midnight Club and Smuggler's Run franchises. Rockstar's Grand Theft Auto: Vice City for the PlayStation 2 and PC was released in Japan in late May, under a license agreement with Capcom Co., Ltd. According to Media Create Co., Ltd., Grand Theft Auto: Vice City for the PlayStation 2 has sold approximately 300,000 copies as of the week ending May 30, 2004, making it one of the most successful debuts of a Western video game in Japan.

Global Star's lineup for the third quarter includes Army Men: Sarge's War for the PlayStation 2, Xbox, PC and Game Cube; and Dragon Tales for the Game Boy Advance.

Future Publishing Highlights

Take-Two has an extensive product lineup planned this holiday season. Rockstar will introduce Grand Theft Auto: San Andreas, the next iteration in the globally successful franchise. Developed by world-class designers Rockstar North, Grand Theft Auto: San Andreas will be available exclusively for the PlayStation 2 and is expected to be in stores in North America on October 19, 2004 and in Europe on October 22, 2004. Rockstar has begun previewing the game to key trade publications and the title has already graced the cover of the June 2004 issue of Game Informer magazine in which the first information and screenshots were revealed to the public at this year's E3 in the magazine's feature story.

Midnight Club 3: DUB Edition, the third installment in the multi-million unit selling, genre-defining Midnight Club racing franchise developed by Rockstar San Diego, is planned for release on PlayStation 2 and Xbox this holiday season. The Warriors(TM), a new title based on the Paramount Pictures feature film, is also scheduled for a holiday season launch on PlayStation 2. Additionally, Rockstar plans to release an extension of the Grand Theft Auto franchise for the Game Boy Advance this Fall.

Gathering's product lineup planned for the fourth quarter includes Conflict: Vietnam, the next game in the successful Conflict series, scheduled for release in North America on multiple platforms this fall. Other Gathering products planned to ship in the fourth quarter include Close Combat: First to Fight for Xbox and PC; Robotech: Invasion and Vietcong: Purple Haze, both for PlayStation 2 and Xbox; and Kohan II: Kings of War for PC.

Global Star's lineup of products for the fourth quarter includes Outlaw Golf 2 for the PlayStation 2 and Xbox; Scaler for PlayStation 2, Xbox and GameCube; Classified: The Sentinel Crisis for the PlayStation 2; a Game Boy Advance title based on Cartoon Network's hit series Codename: Kids Next Door; and Dora The Explorer: Super Star Adventures for the Game Boy Advance. Further out, Global Star's lineup includes Spy vs. Spy for the PlayStation 2 and Xbox; Ford Mustang: 40th Anniversary Edition for the PC, PlayStation 2, and Xbox; a deluxe version of Outlaw Volleyball for the PlayStation 2 featuring new content and enhancements to the franchise; Motocross Mania 3 for the PlayStation 2 and Xbox; and Outlaw Tennis for the PlayStation 2 and Xbox.

Also planned for release this Summer and Fall are various titles from ESPN Videogames, under a co-publishing and exclusive distribution agreement, subject to finalization and closing, with SEGA Corporation.

Distribution Highlights

The Company's Jack of All Games subsidiary, the leading North American distributor of videogame software, 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. Jack of All Games has also benefited from serving as the exclusive distributor for all of Global Star's value-priced products.

Management

Richard W. Roedel, the Company's Executive Chairman, has been appointed by the Board of Directors as Take-Two's Chief Executive Officer on a permanent basis, effective immediately. Mr. Roedel was named Chief Executive Officer on an interim basis in April, and has been a member of the Board of Directors since November 2002 and was Chairman of the Audit Committee from November 2002 to April 2004. He is a Certified Public Accountant and has extensive experience with

complex and competitive businesses. Previously, Mr. Roedel was Chairman and Chief Executive Officer of the accounting and consulting firm BDO Seidman, LLP.

Mr. Roedel stated, "I am very pleased to have the opportunity to serve as Chief Executive Officer of Take-Two in a permanent capacity. After nearly two years working closely with the Company, I have learned a great deal about Take-Two's business and its tremendous potential. My immediate mandate, and that of the entire senior management team, is to ensure that we address our current challenges by remaining firmly operationally focused, reducing our cost structure and managing our product release schedule to maximize the value of every title in our pipeline."

Mr. Roedel continued, "Take-Two has an impressive portfolio of proven proprietary brands, a solid holiday lineup and an industry leading distribution business through Jack of All Games. With this foundation, along with our strong financial position, I believe we will overcome our recent challenges and regain our solid track record of delivering compelling products and meeting financial expectations."

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 to discuss its outlook. A live webcast of the call is available by visiting <http://ir.take2games.com> and a replay of the call will be archived through the close of business on Friday, June 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, Madrid, 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 and on Form 10-Q for the quarter ended January 31, 2004 in the section entitled "Cautionary Statement and Risk Factors".

TAKE-TWO INTERACTIVE SOFTWARE, INC. and SUBSIDIARIES
Consolidated Condensed Statements of Operations
For the three and six months ended April 30, 2004 and 2003 (unaudited)
(In thousands, except per share data)

	Three months ended April 30, 2003 - 2004		Six months ended April 30, 2003 - 2004	
	Restated		Restated	
	(Unaudited)		(Unaudited)	
Net sales	\$153,368	\$193,023	\$528,880	\$604,031
Cost of sales				
Product costs	104,573	98,914	328,951	303,342
Royalties	13,016	19,261	33,014	56,543

Software development costs	1,573	3,365	5,555	6,716
Total cost of sales	119,162	121,540	367,520	366,601
Gross profit	34,206	71,483	161,360	237,430
Operating expenses				
Selling and marketing	22,271	22,461	58,173	56,915
General and administrative	24,050	16,970	48,090	48,329
Research and development	8,228	4,761	21,657	10,376
Depreciation and amortization	3,910	3,197	7,655	10,759
Total operating expenses	58,459	47,389	135,575	126,379
Income (loss) from operations	(24,253)	24,094	25,785	111,051
Interest income, net	648	743	1,074	1,088
Gain on Internet investments	-	-	-	39
Total non-operating income	648	743	1,074	1,127
Income (loss) before income taxes	(23,605)	24,837	26,859	112,178
Provision (benefit) for income taxes	(9,029)	10,214	9,677	46,020
Net income (loss)	<u>\$ (14,576)</u>	<u>\$14,623</u>	<u>\$17,182</u>	<u>\$66,158</u>

Per share data:

Basic:

Weighted average common shares outstanding	44,594	41,262	44,489	41,020
Net income (loss) per share - Basic	<u>\$(0.33)</u>	<u>\$0.35</u>	<u>\$0.39</u>	<u>\$1.61</u>

Diluted:

Weighted average common shares outstanding	44,594	42,281	45,485	42,279
Net income (loss) per share - Diluted	<u>\$(0.33)</u>	<u>\$0.35</u>	<u>\$0.38</u>	<u>\$1.56</u>

OTHER INFORMATION

	Three months ended April 30,		Six months ended April 30,	
	2003 - 2004	Restated	2003 - 2004	Restated

Total revenue mix

Publishing	58%	65%	61%	72%
Distribution	42%	35%	39%	28%

Geographic revenue mix

North America	67%	72%	76%	72%
International	33%	28%	24%	28%

Publishing platform revenue mix

Sony PlayStation 2	47%	72%	54%	88%
Sony PlayStation	3%	6%	2%	4%

Microsoft Xbox	38%	4%	36%	2%
GameCube	2%	1%	1%	-
PC	1%	14%	2%	5%
Handheld	5%	1%	3%	-
Accessories	4%	2%	2%	1%

TAKE-TWO INTERACTIVE SOFTWARE, INC. and SUBSIDIARIES
Consolidated Condensed Balance Sheets
As of April 30, 2004 (unaudited) and October 31, 2003
(In thousands, except share data)

ASSETS	April 30, 2004	October 31, 2003
Current assets		
Cash and cash equivalents	\$261,333	\$183,477
Accounts receivable, net of allowances of \$64,071 and \$62,817 at April 30, 2004 and October 31 2003, respectively	68,601	166,536
Inventories, net	100,038	101,748
Prepaid royalties	23,331	12,196
Prepaid expenses and other current assets	38,894	41,112
Deferred tax asset	8,333	8,333
Total current assets	500,530	513,402
Fixed assets, net	25,691	22,260
Prepaid royalties	6,677	8,439
Capitalized software development costs, net	20,782	16,336
Goodwill, net	123,755	101,498
Intangibles, net	36,650	44,836
Other assets, net	451	527
Total assets	\$714,536	\$707,298
LIABILITIES and STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$70,978	\$106,172
Accrued expenses and other current liabilities	64,551	56,707
Income taxes payable	2,706	2,265
Current portion of capital lease obligation	112	103
Total current liabilities	138,347	165,247
Capital lease obligation, net of current portion	29	73
Deferred tax liability	8,486	8,486
Total liabilities	146,862	173,806
Stockholders' equity		
Common stock, par value \$.01 per share; 100,000,000 shares authorized; 44,823,915 and 44,227,215 shares issued and outstanding at April 30, 2004 and October 31, 2003, respectively	448	442
Additional paid-in capital	365,563	350,852
Deferred compensation	(1,554)	(1,890)
Retained earnings	202,206	185,024
Accumulated other comprehensive loss	1,011	(936)
Total stockholders' equity	567,674	533,492
Total liabilities and stockholders' equity	\$714,536	\$707,298

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