

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

_____ x
IN RE TAKE-TWO INTERACTIVE SOFTWARE, INC. : MASTER FILE NO.
SECURITIES LITIGATION : 01 Civ. 9919 (DLC)
_____ x
This Document Relates to: :
All Actions :
_____ x

**SUMMARY NOTICE OF PENDENCY OF CLASS ACTION,
PROPOSED SETTLEMENT THEREOF AND FAIRNESS HEARING**

TO: ALL PERSONS WHO PURCHASED OR ACQUIRED THE SECURITIES OF TAKE-TWO INTERACTIVE SOFTWARE, INC. ("TAKE-TWO" OR THE "COMPANY") DURING THE PERIOD FEBRUARY 24, 2000 AND DECEMBER 17, 2001, INCLUSIVE (THE "CLASS PERIOD"), AND WHO SUFFERED DAMAGES THEREBY (THE "CLASS").

YOU ARE HEREBY NOTIFIED, that a hearing will be held on October 4, 2002 at 3:00 p.m. at the United States District Court for the Southern District of New York Courtroom 11B, Daniel Patrick Moynihan Courthouse, 500 Pearl Street, New York, New York 10007 to determine whether (1) the proposed settlement (the "Settlement") of the above-entitled class action for \$7,500,000, in cash plus accrued interest (the "Settlement Fund") should be approved by the Court as fair, reasonable, and adequate; (2) the application of Plaintiffs' Counsel for an award of attorneys' fees and reimbursement of expenses should be approved; and (3) the Action should be dismissed with prejudice.

IF YOU PURCHASED OR ACQUIRED THE SECURITIES OF TAKE-TWO DURING THE PERIOD DESCRIBED ABOVE, YOUR RIGHTS MAY BE AFFECTED BY THE SETTLEMENT OF THIS ACTION. To share in the distribution of the Settlement Fund, you must establish your rights by filing a Proof of Claim and Release ("Proof of Claim") on or before January 2, 2003.

THE ALLEGATIONS AGAINST DEFENDANTS

The captioned litigation is a class action alleging violations of the federal securities laws against Take-Two, Ryan A. Brant, Kelly G. Sumner, Paul Eibeler, Larry Muller and James H. David, Jr. (collectively, the "Defendants"). Plaintiffs have alleged that Defendants issued materially false and misleading public filings, press releases, and other statements regarding Take-Two's financial condition during the Class Period in violation of Sections 10(b) and 20(a) of the Exchange Act, as amended, and SEC Rule 10b-5, 17 C.F.R. § 240.10b-5. Specifically, the Complaint alleges that during the Class Period, Defendants knew, or recklessly disregarded, that the Company's publicly reported earnings were inflated by, *inter alia*, the improper recognition of revenues for software shipped to third-party distributors that was subsequently returned and/or repurchased by Take-Two. In addition, it is alleged that after the Securities and Exchange Commission (the "SEC") launched an informal, undisclosed investigation into Take-Two's accounting practices, the Individual Defendants engaged in massive insider selling based upon their possession of non-public information concerning the Company's illicit revenue recognition practices and the SEC investigation. However, plaintiffs did not assert a claim under Section 20A of the Exchange Act for illegal insider trading.

On December 14, 2001, Take-Two's common stock fell 31%, falling from \$15.05 per share to \$10.33 per share, as rumors of a possible restatement of the Company's financial results began circulating among securities analysts. On December 17, 2001, Take-Two announced that it would restate its financial results for fiscal year 2000 and the first three quarters of fiscal year 2001.

On February 13, 2002, Take-Two announced the particulars of the restatement. In the restatement, Take-Two eliminated about \$15.4 million of net sales in fiscal 2000 it had made to independent third-party distributors and \$8.7 million in related costs of sales, which were improperly recognized as revenue and later returned or repurchased by the Company. For fiscal year 2000, the restatement reduced net sales by \$23 million and decreased net income by \$18.58 million. For the first three quarters of fiscal 2001, the restatement reduced net sales by \$6.7 million and increased net income by \$2.7 million.

EXCLUSION FROM THE SETTLEMENT

If you desire to be excluded from the Class, you must file a request for exclusion by September 20, 2002, in the manner and form explained in the detailed Notice referred to below. All members of the Class who have not requested exclusion from the Class will be bound by the Settlement and any judgment and release entered in the Action even if they do not file a timely Proof of Claim.

Any Class member who has not validly and timely requested to be excluded from the Class, and who objects to any aspect of the Settlement, the Plan of Allocation, the adequacy of representation by Plaintiffs' Counsel, or the application for attorneys' fees, costs and expenses, may appear and be heard at the Settlement Hearing. Any such Person must submit a written notice of objection by September 24, 2002, in the manner and form explained in the detailed Notice referred to below.

If you have not yet received the Notice of Pendency of Class Action, which more completely describes the Settlement and your rights thereunder, and a Proof of Claim, you may obtain copies of these documents by identifying yourself as a member of the Class and by writing to: Take-Two Interactive Software, Inc. Securities Litigation, The Garden City Group, Inc., Claims Administrator, P.O. Box 9000-6020, Merrick, N.Y. 11566-9000, or by calling (888) 212-5519; or Bernstein Liebhard & Lifshitz, LLP, Attn: Timothy J. MacFall, Esq., 10 East 40th Street, New York, N.Y. 10016. You may also obtain the foregoing documents, as well as the Complaint and Stipulation by visiting the following Web site: www.Taketwosettlement.com.

**INQUIRIES SHOULD NOT BE DIRECTED TO TAKE-TWO,
THE COURT, OR THE CLERK OF COURT.**

Dated: July 31, 2002