

## Take-Two posts wider 4th-quarter loss

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The Associated Press

Take-Two Interactive Software Inc. on Tuesday posted a wider loss for its fiscal fourth quarter as fewer big game releases compared with a year ago hurt revenue.

Nonetheless, the results were stronger than the forecast that the video game publisher gave earlier this year, a sign it is no longer solely dependent on the popular "Grand Theft Auto" franchise.

For the three months that ended March 31, the publisher of "Red Dead Redemption" and "BioShock" posted a loss of \$22.1 million, or 27 cents per share. That compares with a loss of \$9.8 million, or 13 cents per share, in the same period a year earlier.

Revenue fell 22 percent to \$182.3 million from \$233.2 million a year earlier, when it launched the blockbuster "BioShock 2."

Excluding items, Take-Two reported an adjusted loss of 18 cents per share, compared with adjusted net income of 4 cents per share, a year earlier.

The results were significantly better than the guidance the company gave in February, when it forecast an adjusted loss of 45 cents to 40 cents per share on revenue of \$130 million to \$150 million.

"We have taken enormous pains to diversify our product line," said Chairman and CEO Strauss Zelnick in an interview. He said Take-Two expects to be profitable in the next two years even though the next installment of "Grand Theft Auto" has not been announced.

Take-Two also said it has extended the employment contracts of brothers Sam and Dan Houser and Leslie Benzies of Rockstar Games. The three are key creative forces at Rockstar, the studio behind Take-Two's best-known game franchise, "Grand Theft Auto," as well as "Red Dead Redemption" and others.

For the full year, Take-Two earned \$48.5 million, or 56 cents per share, up from a loss of \$123 million, or \$1.58 per share, a year earlier.

Excluding items, it earned \$1.02 per share, better than its February guidance of 80 cents to 85 cents per share.

Revenue rose 49 percent to \$1.14 billion from \$762.9 million, above Take-Two's outlook of \$1.08 billion to \$1.1 billion.

Take-Two, which recently changed its fiscal year's end to March 31 from October 31, forecast adjusted per-share results in the range of a breakeven to earnings of 10 cents for the current quarter. It expects revenue between \$325 million and \$375

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million.

For the full year, it is forecasting adjusted earnings of 10 cents to 35 cents per share on revenue of \$1 billion to \$1.1 billion.

Take-Two said while it's too early to discuss fiscal 2013, it has a "very strong pipeline of titles" in the works, and that it expects adjusted earnings to exceed \$2 per share.

Zelnick would not comment on whether this guidance includes a new "Grand Theft Auto" release. "GTA" is no longer Take-Two's only blockbuster game, it's still the biggest.

Shares of New York-based Take-Two fell 35 cents, or 2.1 percent, to close at \$16.10.

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