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Take-Two urges shareholders to fight EA bid

And its board looks into "other" options

by Katie Scott published on 27 March 2008

It's already rejected the offer once, but Grand Theft Auto developer, Take-Two, is now rallying its shareholders in a bid to fight off the advances of gaming giant, EA.

Take-Two's execs say that the \$2 billion bid is too low but are now admitting that they are considering a sale, or "other" options.

But, they state categorically, that they will accept nothing before the 29 April release of GTA IV, which is predicted to be one of the biggest sellers of the year, and which EA has openly said is its target.

EA has responded by saying its offer was "full and fair" (sounds distinctly like what Microsoft is saying over its Yahoo bid!).

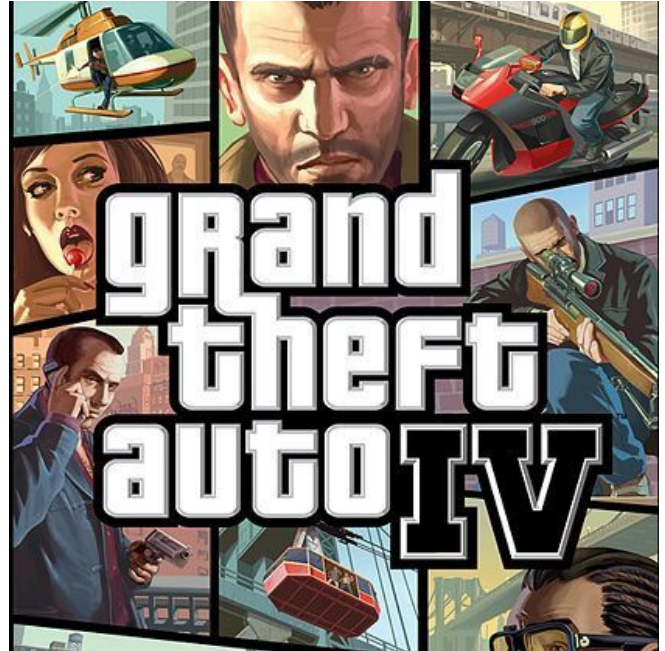
And it added the warning that Take-Two's present course may ultimately undermine the value of the company.

"By advising its stockholders to reject the offer, Take-Two's Board is exposing them to further delays which may reduce the value and the certainty of a potential transaction", EA said in a statement.

But Take-Two has implied that it has other options.

According to Reuters, its board has prepared all of the material that would make it easier for any potential buyer to carry out due diligence; and the news service also implied that there has been interest from EA's rivals.

Take-Two is also considering the possibility of fighting off any takeover bids.



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"We're starting now to be in a position to have discussions on April 30", Chairman Strauss Zelnick told Reuters in an interview. "We think that's the best way to address not only EA's interest, not only other third-party interest, but that we've deeply considered the option of staying independent."

Zelnick did add, however, that the company may back down and give in to EA if the gaming giant changes its offer.

EA's offer expires on 11 April, although the company can extend it.