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EA borrows extra \$1 billion to secure Take-Two

And it doesn't even need it

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Electronic Arts has secured a loan of \$1 billion to support its bid for Take-Two, which is due to be wrapped up this Friday.

In a form filed with the Securities and Exchange Commission in the US, EA said that it had received a commitment for up to \$1 billion in "senior unsecured term loan financing" to help with the acquisition.

The company also said in the SEC filing that it already had more than enough cash and equivalents to cover the merger, expected to check out at around \$2.1 billion, without the loan.

Despite that, EA still decided to borrow the extra \$1 billion from Morgan Stanley Senior Funding, Inc, Morgan Stanley Bank, BNP Paribas, BNP Paribas Securities Corp., The Bank of Nova Scotia and KeyBank National Association.

The loan is available for the company to use towards its Take-Two bid until 9 January 2009. The amount will have to be paid back with interest in full within a year, or by 9 August 2009.

