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Closer to Take Two?

[FTC Approves EA Take Two Takeover](#)

But a deal is still unlikely

The Federal Trade Commission, which is charged with overseeing all major transactions that might involve a monopoly situation, has announced that it green-lighted a possible takeover of Take Two by Electronic Arts. The FTC says that "it now appears that no additional action by the commission is warranted at this time. Accordingly, the investigation has been closed". The initial investigation was apparently sparked by the fact that Take Two is one of the few companies which challenge EA Sports in the sports games market.

[Electronic Arts](#) believes that this was the last major hurdle that stood between its offer and the eventual takeover of Take Two. The 2 billion dollar tender offer, which comes at 25.74 dollars per share, was initially forwarded by EA back at the beginning of the year and the board of directors of Take Two repeatedly stated that the value offered was too low for what the company was worth. Strauss Zelnick, the chairman of [Take Two](#), has always said that his company was open to talks with publisher EA only if the price offered was right, while also maintaining that other parties are interested in long term arrangements with the company. It seems that his opposition is what has driven most shareholders to refuse to sell to Electronic Arts. Michael Pachter, who is a videogame industry analyst at Wedbush Morgan, was quoted as saying recently that he expects the takeover to go ahead later in 2008, but only if Electronic Arts agrees to increase the price per share by one to two dollars. Take Two has gained a significant boost in both image and earnings earlier in the year when GTA IV was launched, with big sales and serious chances to become Game of the Year. Another boost is expected when the PC version of the game is launched during fall.