



Electronic Arts Inc. Acquisition Announcement

July 12th, 2011

Safe Harbor Statement

- Some statements set forth in this presentation regarding EA's acquisition of PopCap and the expected impact of the acquisition on EA's strategic and operational plans, contain forward-looking statements that are subject to change. These forward-looking statements are subject to risks and uncertainties that could cause actual events or actual future results to differ materially from the expectations set forth in the forward-looking statements. Some of the factors which could cause results to differ materially from the expectations expressed in these forward-looking statements include the following: the effect of the announcement of the acquisition on EA's and PopCap's strategic relationships, operating results and business generally, including the ability to retain key employees; EA's ability to successfully integrate PopCap's operations and employees; the timing of the completions of the acquisition; general economic conditions; and other factors described in EA's SEC filings (including EA's Annual Report on Form 10-K for the year ended March 31, 2011). If any of these risks or uncertainties materializes, the potential benefits of the acquisition may not be realized, EA's and/or PopCap's operating results and financial performance could suffer, and actual results could differ materially from the expectations described in these forward-looking statements. These forward-looking statements speak only as of the date of this presentation. EA assumes no obligation to update these forward-looking statements.
- The preliminary financial results set forth in this presentation, including EA's preliminary results for the first quarter of fiscal 2012 and business outlook for future periods are estimates based on information currently available to Electronic Arts. While Electronic Arts believes these estimates are meaningful, they could differ from the actual amounts that Electronic Arts ultimately reports in its Annual Report on Form 10-Q for the fiscal quarter ended June 30, 2011 and in subsequent filings. Furthermore, the financial information included in this presentation regarding PopCap is based on information currently available to Electronic Arts as of the date of this presentation and is subject to change. In addition, following the acquisition, the accounting policies of PopCap will be reconciled with those of Electronic Arts, which may cause reported revenue and profits of PopCap to be lower than currently presented.
- These forward-looking statements are valid as of July 12, 2011 only. Electronic Arts assumes no obligation and does not intend to update these forward-looking statements.
- In addition, this presentation includes various third party estimates regarding the total available segment and other measures, which have not been independently verified by us. Further, Electronic Arts does not guarantee the accuracy or reliability of any such information or forecast.

Summary

- PopCap strengthens EA's position as a leader in casual gaming and accelerates EA toward a \$1 billion digital business
- Casual gaming is the industry's fastest growing segment
- PopCap is a leader on the fastest growing digital gaming platforms, with five very strong casual IPs
- Acquisition price is \$650 M cash, plus \$100 M EA stock and a non-GAAP EBIT-based earn-out, resulting in a CY12 EBIT multiple range of 10X to 20X
- This transaction is expected to be at least \$0.10 non-GAAP EPS accretive in fiscal 2013
- EA intends to drive further EPS accretion through ongoing share repurchase program

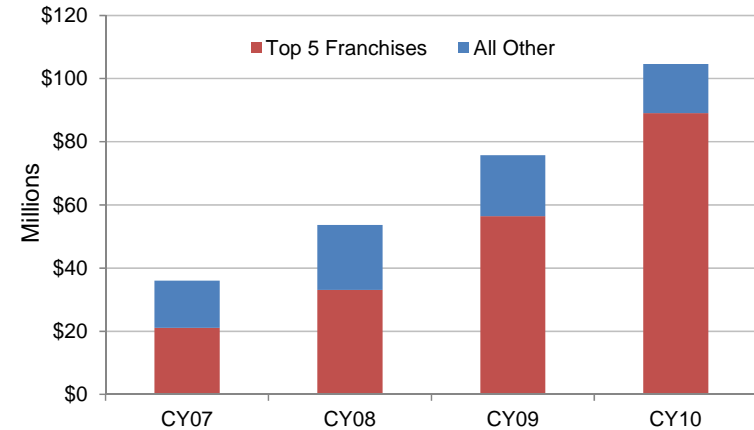
PopCap accelerates EA's winning digital strategy

PopCap At A Glance

Overview of PopCap

- **Founded in 2000. Headquartered in Seattle, WA**
- **~475 employees**
- **Award-winning and durable IP**
- **80% of PopCap revenue is digital**

Franchise revenue has continued to grow over time



IP has been strong for many years

Franchise	Years in Release	# of Titles	Major Platforms
Bejeweled	11	5	Facebook, iOS, Android, XBLA, DS, PSN, Wii, WP7, PC
PvZ	2	1	iOS, Android, XBLA, DS, PSN, Mac, PC
Zuma	7	3	Facebook, XBLA, DS, PSN, Mac, PC
Bookworm	7	3	iOS, XBLA, DS, Mac, PC
Peggle	4	2	iOS, XBLA, DS, PSN, Mac, PC

Games Well Suited to Emerging Platforms

- **Ideal for touch / simple controls**
- **Strong characters**
- **Mass appeal**
- **Flexible monetization**
- **Success across mobile devices**
- **Fun & approachable gameplay**

PopCap has strong IP and a proven ability to create new hits

PopCap Strategic Overview

Long-term game sector growth is led by digital

- Smartphones, smartpads/tablet, social, PC, IPTV are key platforms
- Casual gaming is driving growth with new consumer demographic
- Asia is an important opportunity in digital



PopCap maps well to the digital opportunity

- 80% of revenue in CY2010 was digital; > 40% revenue growth rate in March 2011 quarter
- IP expected to gain more distribution on the highest growth platforms
- Well positioned for social games in Asia
- Owns five strong evergreen franchises with the unique ability to create compelling future casual IP across all platforms

PopCap accelerates EA's ongoing digital transformation

Financial Summary of Transaction

- Deal is expected to be non-GAAP EPS neutral in FY12 and highly accretive in FY13:

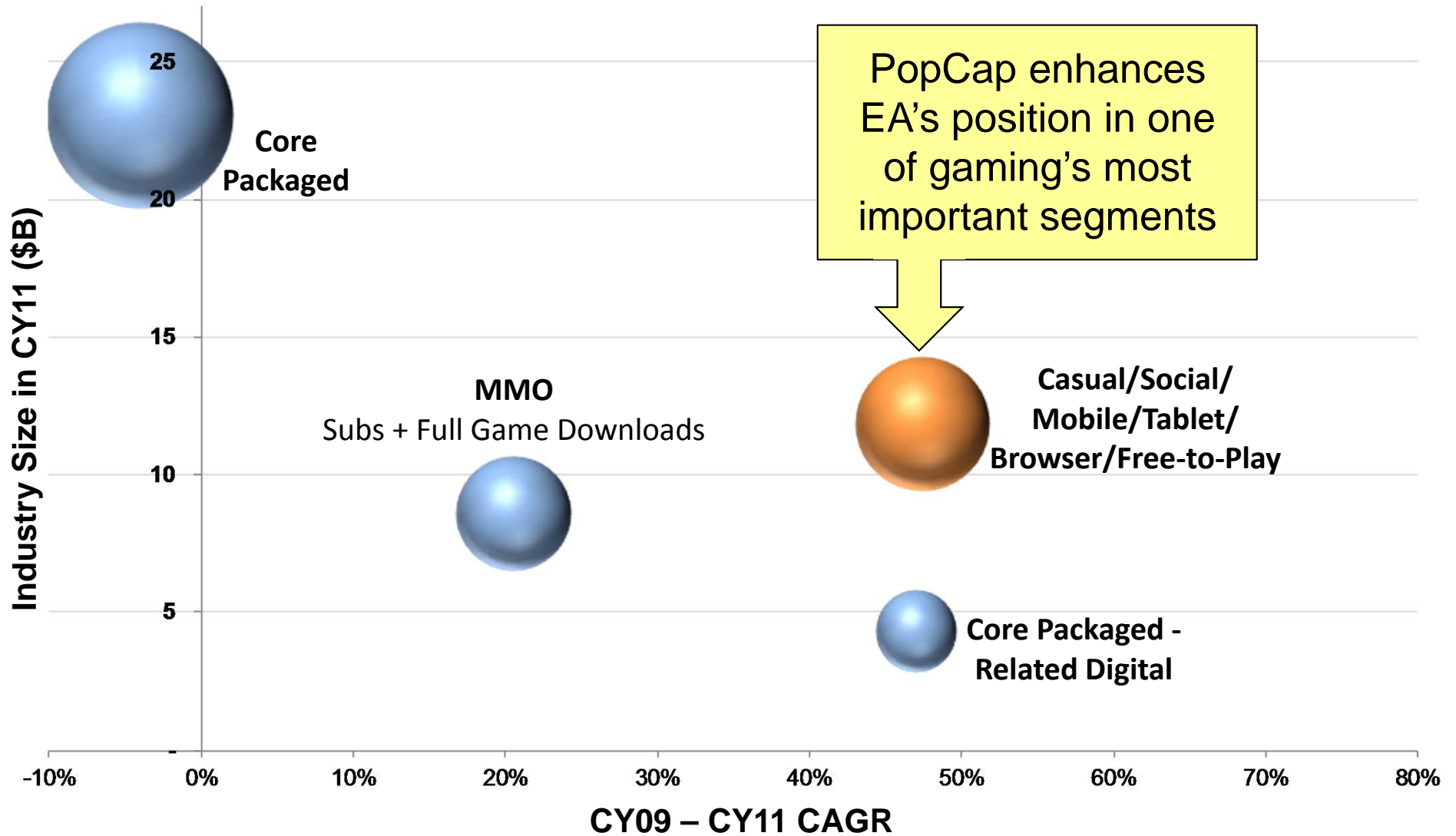
EPS Impact		
	FY2012	FY2013
Non-GAAP	~\$0.00	~\$0.10
GAAP	~\$0.00	~ (\$0.10)

- Up-front \$650 M cash, \$100 M EA stock, with potential of up to \$550 M earn-out
- Up to \$50 M in long-term equity retention awards
- Effective PopCap purchase price multiples will decline to the degree the earn-out amount increases:
 - 10x PopCap CY12 non-GAAP EBIT in Upper-End Earn-out Scenario
 - 20x PopCap CY12 non-GAAP EBIT in Low-End/No Earn-out Scenario

Note:

These forward-looking statements are valid as of July 12, 2011 only and are subject to change.

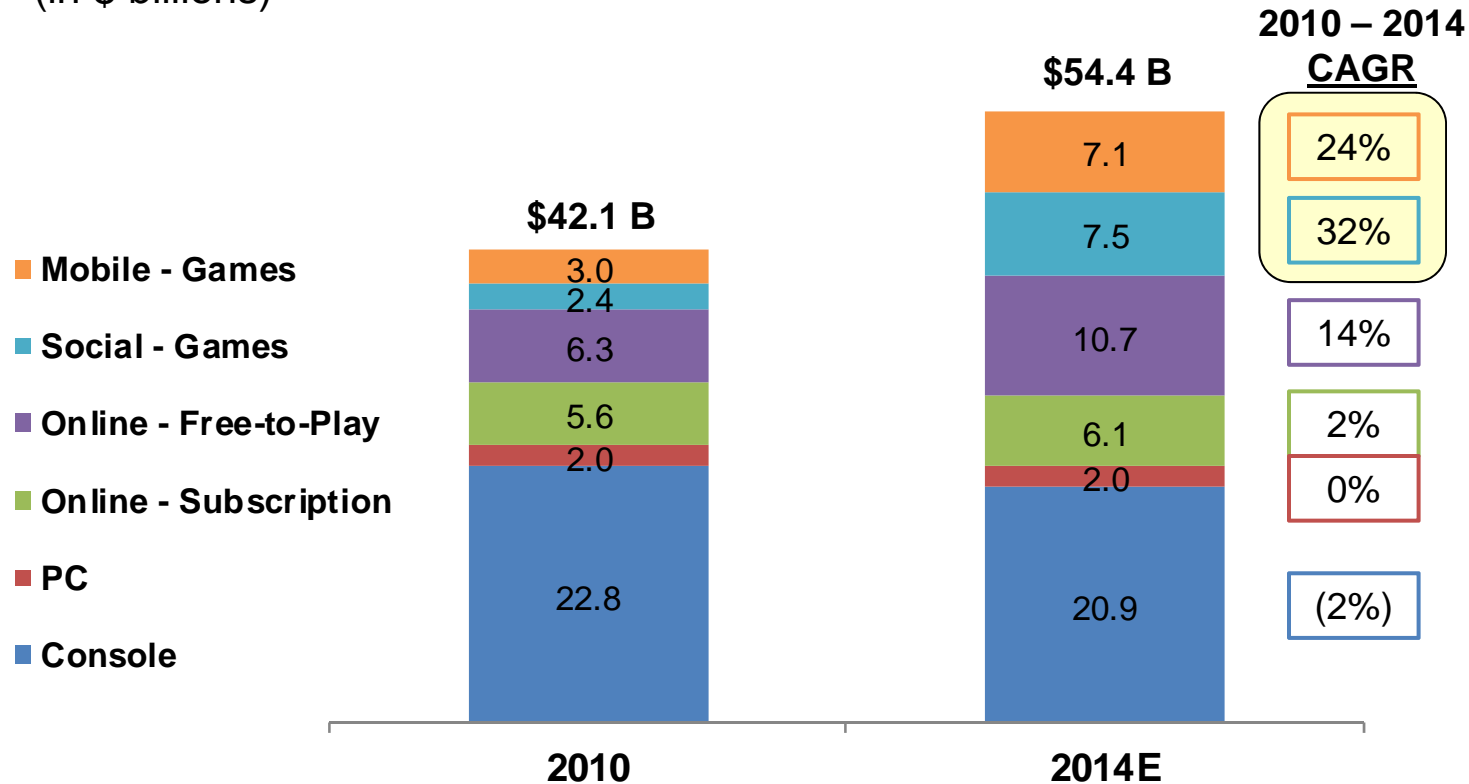
Worldwide Industry Growth Segments



Sector Analysis – Game Market

Worldwide Video Game Market Size Estimates by Platform

(in \$ billions)



Source: Think Equity

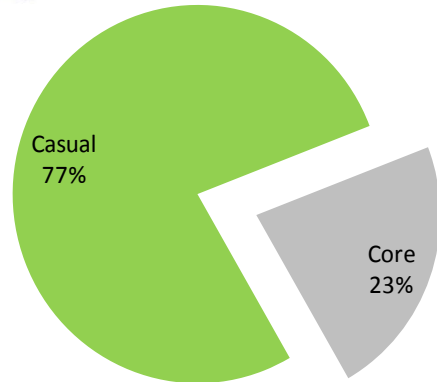
Mobile & Social growth outpacing other video game sectors

Sector Analysis – Mobile/Social

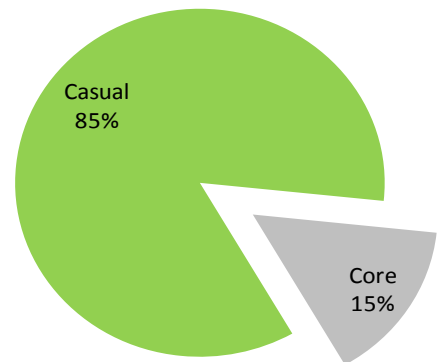
Casual games dominate the fastest growing platforms



Revenue Share by IP Type
Top 100 Grossing iOS Games – March 2011



DAU Share by IP Type
Top 250 Facebook Games - May 2011



Sources: AppData for Facebook; EA Internal model for Apple

Casual games are expanding the gamer demographic

28

average age of the Mobile social gamer

53%

of Mobile social gamers are female

40%

of female gamers prefer casual games

Sources: Flurry; New Media Measure (Q1 CY11)

Casual games are driving platform growth on smart phones and social network sites

PopCap Maps Well to New Platform Opportunities

Top Grossing iOS Games for 2010

iTunes Rewind 2010

#	iPhone Game	Publisher
1	Angry Birds	Electronic Arts
2	Call of Duty: Zombies	Activision
3	Bejeweled 2+Blitz	PopCap Games
4	Zombie Farm	PlayForge
5	Tetris	Electronic Arts
6	Plants vs Zombies	PopCap Games
7	Doodle Jump	Lima Sky
8	Monopoly	Electronic Arts
9	The Sims 3	Electronic Arts
10	Words With Friends	Zynga

EA & PopCap Games in Top 10: 6

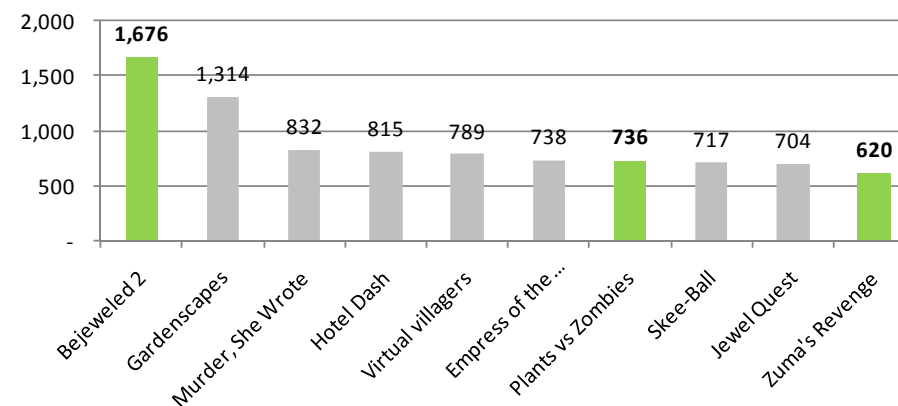
Top PC Retail Game Publishers for 2010

NPD PC Games \$000s

#	Publisher	2008	2009	2010
1	Activision Blizzard	\$165,467	\$118,905	\$279,616
2	Electronic Arts	194,288	210,510	139,706
3	Take 2 Interactive	29,568	28,903	38,223
4	THQ	41,895	40,733	20,003
5	Square Enix	21,025	6,600	18,013
6	Encore	14,862	16,170	17,193
7	Atari	16,528	17,268	14,859
8	PopCap Games	5,899	10,528	13,838
9	Bethesda SoftWorks	13,077	12,117	13,760
10	Microsoft	32,586	25,242	13,371
	Total	\$704,982	\$682,046	\$701,252
	EA & PopCap Share	28%	32%	22%

Top Download Games 2010

casualcharts.com Days in Top 10, all sites



PopCap delivers proven best sellers on multiple platforms with recent breakout success on iOS

Success on Facebook – Winning Combination

1. PopCap has the highest player engagement of any Top 5 Facebook Game Publisher at 25% (DAU/MAU)
2. PopCap has achieved Top 5 success through only two evergreen franchises: Bejeweled and Zuma
3. After 18+ months in the market, Bejeweled Blitz is #6 in terms of DAUs and #1 in player engagement (out of the Top 10)
4. Future outlook is strong with top IP from both EA and PopCap to come

DAUs in MMs (Q2 CY11)

Rank	Developer	DAUs
1	Zynga	53.6
2	EA + PopCap	10.0
3	Wooga	4.5
4	Playdom	3.7
5	Digital Chocolate	3.0

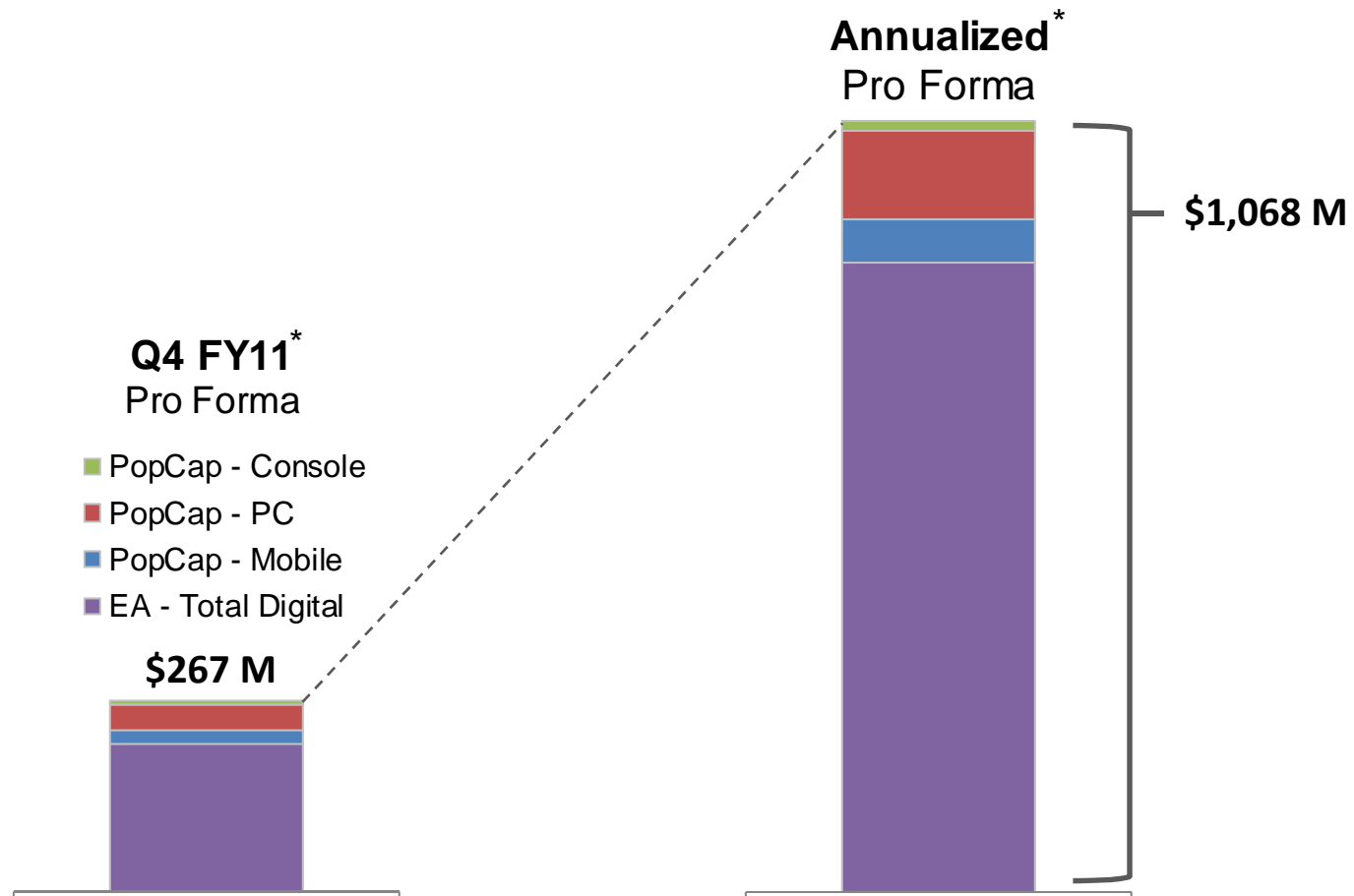
Source: Appdata.com as of July 8th, 2011



EA + PopCap = Solid #2 Games Publisher with Big Brands Coming Soon

PopCap Further Accelerates EA's Digital Growth

Pro Forma Non-GAAP Digital Net Revenue



EA & PopCap deliver a >\$1 billion digital non-GAAP revenue run rate

^{*} Note: EA's Digital non-GAAP net revenue excludes one-time events
Preliminary PopCap estimates as of July 12, 2011, subject to change

EA Financial Update¹

Revenue Guidance Update:

FY12 Non-GAAP Revenue Guidance (\$ Millions)	Low End	High End	FY12 GAAP Revenue Guidance (\$ Millions)	Low End	High End
Reaffirmed EA Standalone	\$3,750	\$3,950	Reaffirmed EA Standalone	\$3,700	\$3,900
PopCap Partial Year Contribution	\$50	\$75	PopCap Partial Year Contribution	\$25	\$50
Revised Combined Guidance	\$3,800	\$4,025	Revised Combined Guidance	\$3,725	\$3,950

Share Repurchase Program Update:²

- Repurchase program remains intact
- As of July 1, 2011, EA has repurchased a total of 7.1 million shares for \$149 million

Notes:

1. Preliminary estimates as of July 12, 2011, subject to change

2. Repurchase data shown on a shares settled basis. EA is not obligated to repurchase any specific number of shares under the program and the repurchase program may be modified, suspended or discontinued at any time

GAAP to Non-GAAP Reconciliation

In its press release dated July 12, 2011 announcing the PopCap acquisition, Electronic Arts has provided its preliminary estimates for the first quarter of fiscal 2012 and business outlook for the second quarter of fiscal 2012 and the full fiscal year 2012. The following table provides a reconciliation of the non-GAAP financial measures for the periods presented to the nearest comparable GAAP financial measures. These are preliminary estimates and expectations based on current information as of July 12, 2011 and are subject to business and economic risks and uncertainties that could cause actual events or actual future results to differ materially from the expectations set forth herein. The reconciliation provided below reflects rounding and other approximations.

(in millions except for EPS)

	Q1 FY12		Q2 FY12		FY12	
	Low	High	Low	High	Low	High
GAAP Net Income (Loss)	\$ 212	\$ 222	\$ (364)	\$ (320)	\$ (14)	\$ 88
Acquisition-related expenses	18	18	30	25	95	85
Change in deferred net revenue (packaged goods and digital content)	(475)	(475)	275	275	75	75
Restructuring and other	18	18	5	5	23	23
Stock-based compensation	38	38	50	50	175	175
Income tax adjustments	57	57	(46)	(52)	(120)	(145)
Non-GAAP Net Income (Loss)	<u>\$ (132)</u>	<u>\$ (122)</u>	<u>\$ (50)</u>	<u>\$ (17)</u>	<u>\$ 234</u>	<u>\$ 301</u>
GAAP EPS	\$ 0.63	\$ 0.66	\$ (1.10)	\$ (0.97)	\$ (0.04)	\$ 0.26
Shares used for GAAP EPS	337	337	331	331	330	334
Non-GAAP EPS	\$ (0.40)	\$ (0.37)	\$ (0.15)	\$ (0.05)	\$ 0.70	\$ 0.90
Shares used for non-GAAP EPS	331	331	331	331	334	334
GAAP Revenue	\$ 975	\$ 1,000			\$ 3,725	\$ 3,950
Change in deferred net revenue (packaged goods and digital content)	(475)	(475)			75	75
Non-GAAP Revenue	<u>\$ 500</u>	<u>\$ 525</u>			<u>\$ 3,800</u>	<u>\$ 4,025</u>

Non-GAAP Financial Measures

- To supplement the Company's unaudited condensed consolidated financial statements presented in accordance with GAAP, Electronic Arts uses certain non-GAAP measures of financial performance. The presentation of these non-GAAP financial measures is not intended to be considered in isolation from, as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP, and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP measures have limitations in that they do not reflect all of the amounts associated with the Company's results of operations as determined in accordance with GAAP. The non-GAAP financial measures used by Electronic Arts include: non-GAAP net revenue and non-GAAP diluted earnings (loss) per share. These non-GAAP financial measures exclude the following items, as applicable in a given reporting period, from the Company's unaudited condensed consolidated statements of operations:
 - Acquisition-related expenses
 - Change in deferred net revenue (packaged goods and digital content)
 - Gain (loss) on strategic investments
 - Loss on lease obligation and facilities acquisition
 - Loss on licensed intellectual property commitment
 - Restructuring charges
 - Stock-based compensation
 - Income tax adjustments

- Electronic Arts may consider whether other significant non-recurring items that arise in the future should also be excluded in calculating the non-GAAP financial measures it uses. Electronic Arts believes that these non-GAAP financial measures, when taken together with the corresponding GAAP financial measures, provide meaningful supplemental information regarding the Company's performance by excluding certain items that may not be indicative of the Company's core business, operating results or future outlook.