

Tricia Gugler:

Welcome to our first quarter fiscal 2009 earnings call.

Today on the call we have John Riccitiello, our Chief Executive Officer; Eric Brown, our Chief Financial Officer; John Pleasants, our Chief Operating Officer; and Peter Moore, our President of EA SPORTS.

Before we begin, I'd like to remind you that you may find copies of our SEC filings, our earnings release and a replay of this webcast on our web site at investor.ea.com. Shortly after the call we will post a copy of our prepared remarks on our website. Throughout this call we will present both GAAP and non-GAAP financial measures. Non-GAAP measures exclude the following items:

- amortization of intangibles,
- stock-based compensation,
- acquired in-process technology,
- restructuring charges,
- certain litigation expenses,
- losses on strategic investments,
- the impact of the change in deferred net revenue related to certain packaged goods and digital content.

In addition, starting with its fiscal 2009 results, the Company began to apply a fixed, long-term projected tax rate of 28% to determine its non-GAAP results. Prior to fiscal 2009, the Company's non-GAAP financial results were determined by excluding the specific income tax effects associated with the non-GAAP items and the impact of certain one-time income tax adjustments.

Our earnings release provides a reconciliation of our GAAP to non-GAAP measures. These non-GAAP measures are not intended to be considered in isolation from – a substitute for – or superior to – our GAAP results – and we encourage investors to consider all measures before making an investment decision. All comparisons made in the course of this call are against the same period for the prior year – unless otherwise stated.

This quarter, we've expanded the supplemental information on our website – in addition to the detailed GAAP to non-GAAP reconciliation and trailing twelve month segment shares, we've also added our SKU count and a summary of our financial guidance.

During the course of this call – we may make forward-looking statements regarding future events and the future financial performance of the Company. We caution you that actual events and results may differ materially. We refer you to our most recent Form 10-K for a discussion of risk factors that could cause our actual results to differ materially from those discussed today. We make these statements as of July 29, 2008 and disclaim any duty to update them.

Now I would like to turn the call over to John.

John Riccitiello:

Thanks, Tricia.

Let me touch briefly on our agenda today –

- I will start with an update on the quarter and the year.
- Eric will discuss our Q1 results and provide our detailed guidance for FY09.
- Peter Moore will update you on our sports business.
- Then I'll wrap up with a few closing thoughts.
- After that – Eric, Peter, John and I will be happy to take your questions.

Let me start with the quarter. We beat our expectations on the bottom line and came in slightly below on the top line. The top line results were driven by Battlefield Bad Company and UEFA EURO 2008 and continued strong sales of Rock Band offset by weaker than expected catalog sales. Our bottom line over-performance reflected expenses coming in below plan. Other key metrics we follow, from on-time delivery to product quality were strong. Overall, we had a very solid quarter.

Eric will cover this in more detail; however, at this point, we feel good about the year and are maintaining our top and bottom line non-GAAP guidance for FY09.

There are four areas that will determine the shape of our FY09 year and that are critical for us to deliver on our plans – EA SPORTS, our FY09 slate, our Nintendo products and our digital/direct to consumer businesses. Let me talk about each of these areas.

First – EA SPORTS. The early indicators for our EA SPORTS business are mixed – with two positive and one negative. Peter will get into this in more detail, but I will touch on these indicators briefly.

- The first indicator is quality – and that's up. Quality on NASCAR and NCAA were up as reflected by stronger meta-critic scores. We expect this trend to continue as we launch the rest of our sports slate, especially with Madden, which is looking particularly strong. Frankly, I'm pleased with the level of quality and innovation in our EA SPORTS titles across the board. A special thanks to our Tiburon studio – for stepping up the innovation in our 09 football titles.
- A second key indicator is pre-orders – and they have been down both on NCAA and Madden. Pre-orders are not a hard metric of performance, but they are one external measure we follow very carefully.
- The third, and very important indicator is sales. On NCAA, sell through is consistent with last year. Although still early – this suggests that pre-orders are not the whole story. Consumers seem to be responding to a better and more innovative game.

This year, even though pre-orders are down on our football titles, it feels like we have the quality to deliver.

Next – let me talk a bit about the rest of our FY09 slate. It's strong. Some of you had a chance to see and play many of our games at E3 a few weeks ago. I feel even more bullish about the innovation and quality of our slate than I did three months ago.

Let me hit on just a few recent launches –

- Battlefield Bad Company -- from DICE -- has exceeded our sales expectations and had a strong average meta-critic rating of 84.
- Boom Blox -- from EA Casual – continues to sell well and is judged by many to be one of the best Wii titles so far this year.
- SPORE Creature Creator -- from Maxis – is incredibly innovative, addictive and fun. To date, 2.5 M trial and paid versions are in the hands of users and this gives us confidence on the prospects for SPORE.

We are off to a great start this year – and it only gets better from here. For the sake of brevity, let me talk about a few games that I'm very excited about and which will help drive our sales growth in FY09 – Dead Space and Mirror's Edge, two entirely new IPs that showed well at E3, Harry Potter and the Half Blood Prince. This year our Harry Potter game ships day and date with the movie in the peak holiday season, and from our Sims label, we're launching The Sims 3 in Q4.

Our entire line up represents a significant step up in innovation and quality from a year ago. While we are still waiting for details and critics final decisions we were pleased that several outlets – including G4 and IGN – nominated SPORE, Dragon Age, Mirror's Edge, Warhammer, Dead Space and NBA Live for top honors. Critics don't pay our bills, but it's good to see that others are recognizing the up-tick in quality at EA.

Frankly, I am very proud of many of the games we've shipped – and I'm even more excited about the line-up that's coming. I think we are in very good shape here.

Third – Our progress on the Nintendo platforms. We have 40 SKUs slated to ship in the year – up from 26 last year. It's not just about quantity – it's about quality – and this year, we have both. Most of our slate is specifically designed for these platforms – we believe this will pay off in greater sales and share.

- We shipped two key Wii titles in the quarter – and they are doing quite well. Rock Band was the top selling Wii title in June in North America and Boom Blox charted at #10.
- We have much to come -- let me focus on two important entries –
 - Skate it -- a new take on our successful Skate franchise, but this time designed ground up for the Wii and NDS. The Wii version will take advantage of the Wii-fit board.
 - MySims, introduced last year, sold over 2.5 M copies on the Nintendo platforms. This year we are back with MySims Kingdom and MySims Party for both the Wii and NDS.

- These entries and others promise to make FY09 a good year for EA on the Nintendo platforms.

And finally – I want to touch on our digital/direct to consumer businesses.

This is a key strategic initiative for Electronic Arts. During the quarter, we generated \$90 M in digital/direct to consumer sales – up 21% year-over-year.

Let me hit on a few highlights --

- Pogo – Pogo continues to grow with subscriptions and micro-transactions driving the business.
- Mobile – our business is back on track – delivering growth of 33% year-over-year.
- Mid-Session Games (MSG) – we launched FIFA Online 2 in Korea last fall and sales continue to expand – both direct to consumer and in game rooms. Today, NBA Street Online has gone to open beta in Korea – and we’re looking forward to expanding the game to other Asian markets. We are also planning to launch Battlefield Heroes globally this fiscal year.
- Warhammer Online – EA is getting back into the MMO space in a meaningful way with one of the most anticipated online titles in the industry, from our Mythic studio.
- Recently we gave you an early look at key aspects of our online strategy – including our Nucleus registration system and the community features we are building across our games. We just launched the Sims Store – which is off to a great start. We look forward to updating you on our plans in the months ahead.

Net – we delivered a solid Q1 and feel good about the balance of the year.

The industry is robust and we’ve got a competitive slate. On balance, we’re tracking on each of the four drivers that we need to for us to deliver on our FY09 plans -- from EA Sports to our non-sports slate, from our Nintendo titles to our digital direct to consumer initiatives. We look forward to updating you on our progress.

Now I would like to pass the call over to Eric.

Eric Brown:

Thank you, John. Good afternoon everyone.

During the quarter – several titles stood out.

- Battlefield Bad Company – sold 1.6 M copies exceeding our expectations. With only one week of sales, it was a top five title in the month of June in both North America and Europe on the PS3 and Xbox 360.
- UEFA EURO 08 sold over one million copies – charting in the top-ten in Europe on the Xbox 360, PS3, PS2 and PSP during the quarter.
- NASCAR 09 sold nearly a half of million copies.
- Boom Blox sold 450 K copies meeting our expectations. In North America, it charted at #7 on the Wii in May and #10 in June and finally,
- Rock Band continued to gain momentum. During the quarter – Rock Band sold over 800 K copies. Rock Band debuted on the Wii in June – and was the number one title on this platform.

I would now like to spend some time discussing Q1 in more detail. Please note that all of the following references to 1st quarter results are non-GAAP, unless otherwise stated.

Q1 Results.

Non-GAAP Revenue* was \$609 M. As expected, our Q1 revenue was primarily driven by the launches of Battlefield Bad Company and UEFA EURO 08 and the continued sales of Rock Band.

Relative to our internal expectations, non-GAAP revenue came in slightly lower than expected due to lower catalog sales which were partially offset by higher frontline revenue. On non-GAAP EPS, we came in above our expectations as a result of a shift of expenses to later in the year and some cost savings.

By geography.

North America non-GAAP revenue* was \$340 M – up \$169 M – or 99% primarily due to growth in distribution and console revenue.

International non-GAAP revenue* was \$269 M – up \$9 M – or 3%. Excluding a \$26 M positive impact from foreign exchange vs. last year – international non-GAAP revenue* would have decreased 7%. Revenue was driven by EURO UEFA 08, Battlefield Bad Company and Rock Band – partially offsetting the strength of Harry Potter last year.

Moving to the rest of the income statement.

GAAP Gross Profit in the quarter was \$508 M – up 122% primarily due to the benefit from the deferred revenue rollout and greater overall net revenue.

GAAP Gross Margin was 63.2% vs. 58.0% – up 5.2 points.

Non-GAAP Gross Profit* was \$317 M – up 17% year-over-year.

Non-GAAP Gross Margin* was 52.1% vs. 63.1% – down 11.0 points due to a higher mix of co-publishing and distribution revenue.

Operating Expenses.

Before getting into the details, let me remind you that this year we are recording our bonus expense in a straight-line fashion instead of recognizing the expense in proportion to quarterly profitability as we have in the past. This impacts the quarterly phasing of our bonus expense. As we said on our last call, this change will negatively impact Q1, Q2 and Q409 and have a corresponding favorable impact on expenses in Q3. During the quarter, this resulted in a \$26 million overall increase to operating expenses year-over-year.

Marketing and Sales. Non-GAAP marketing and sales expense* was \$123 M – up \$45 M primarily due to increased advertising to support our Q1 releases and higher personnel-related costs, including the bonus phasing. During the quarter – we released seven titles vs. three titles last year.

General and Administrative. Non-GAAP G&A* was \$74 M – up \$11 M. The increase was driven by higher personnel-related costs, including the bonus phasing.

Research and Development. Non-GAAP R&D* was \$322 M – up \$88 M. Of the \$88 M -- \$35 M is related to the acquisition of VGH and \$18 M is related to bonus phasing.

R&D headcount ended the quarter at roughly 7,200 – up approximately 1,100 from a year ago. Excluding the impact of acquisitions (VGH, Hands-On Mobile, ThreeSF and SCI), headcount was up 5% year-over-year.

Restructuring. During the quarter we recorded \$20 M in restructuring expense primarily related to an additional impairment on our Chertsey facility that was restructured under our previously announced reorganization plan.

Below the Operating Income line.

Non-GAAP* Other income and expense was \$15 M – down \$12 M from a year ago due to a decline in interest income.

Income Taxes. On a GAAP basis, we incurred \$7 M of tax expense – including \$25 M of tax charges associated with the integration of VGH. On a non-GAAP basis, we recorded taxes at 28%.

GAAP Diluted Loss per Share was (\$0.30) vs. diluted loss per share of (\$0.42) a year ago.

Non-GAAP Diluted Loss per Share* was (\$0.42) vs. diluted loss per share of (\$0.22) a year ago.

Our trailing twelve month operating cash flow was \$239 M vs. \$243 M for the prior period. Capex for the quarter was \$31 M versus \$14 M a year ago.

Turning to the Balance Sheet.

Cash and short term investments were \$1.95 BN at quarter end – down \$340 M from last quarter due to cash used in operations and the acquisition of Hands-On-Mobile and ThreeSF.

Marketable equity securities and Other Investments were \$752 M – roughly consistent with the balance at year-end.

At quarter end, we had a net unrealized gain of \$505 M – comprised of a \$516 M gain on Ubisoft and The9 and a \$11 M loss on Neowiz.

Gross accounts receivable were \$455 M vs. \$299 M a year ago – an increase of 52% primarily due to the growth in revenue and the timing of our release schedule.

Reserves against outstanding receivables totaled \$186 M – up \$10 M from a year ago. Reserve levels were 12% of trailing six month non-GAAP revenue – down five points. As a percentage of trailing nine month non-GAAP revenue – reserves were 6% – down two points.

Inventory was \$223 M – up \$55 M sequentially – primarily due to Rock Band inventory.

Ending deferred net revenue from packaged goods and digital content was \$192 M – down \$195 M sequentially primarily due to the rollout of deferred net revenue recognized in Q1.

Now to our Outlook.

Let's start with the industry. Calendar YTD software sales are up 38% in North America and we estimate up 28% in Europe. Even though we are coming up against harder comparables – we are feeling more bullish about the industry. We now expect software sales to grow 20% or more this year combined for North America and Europe – up from our previous expectations of 15 to 20%.

Now our Guidance.

Let's start with GAAP.

For the full year, we expect –

- GAAP Revenue to be between \$4.9 and \$5.15 BN.

- GAAP EPS to be between \$0.21 and \$0.48 – we have lowered the range by approximately \$0.04 primarily due to an additional impairment on our Chertsey facility.
- GAAP Gross margin to be between 55 and 58%.
- Diluted share count to be approximately 331 M shares.

We expect to end the year with roughly \$500 M in deferred net revenue related to online-enabled packaged goods.

Now – our non-GAAP* guidance.

For the full year, we are confirming our guidance. We expect –

- Non-GAAP revenue* to be between \$5.0 BN and \$5.3 BN.
- Non-GAAP EPS* to be between \$1.30 and \$1.70 per share.
- Non-GAAP gross margin to be between 57 and 59% -- we continue to expect our gross margins will be in the lows 60s for the second part of the year.
- Diluted share count to be approximately 331 M shares.

Please see our press release for the difference between our expected GAAP and non-GAAP guidance.

Let me provide some additional detail on our guidance.

On Non-GAAP revenue.

- We now expect Tiberium to ship in FY10
- In digital / direct to consumer we continue to expect to generate over \$450 M in non-GAAP revenue*, up 35% versus FY08.
 - In online – we estimate our online non-GAAP revenue* will be in excess of \$285 M – up approximately 50% year-over-year.
 - In EA Mobile – we expect our wireless non-GAAP revenue* will be in excess of \$185 M -- up approximately 20% year-over-year.

On Non-GAAP expenses.

- R&D – Consistent with our original guidance -- we expect non-GAAP R&D will increase roughly 30% year-over-year. Confirming what we said on our last call --
 - \$120 M of the increase is driven by our acquisition of the BioWare and Pandemic Studios – which includes developing an MMO that will launch in a future year. Keep in mind, although we are incurring 12 months of expense for this acquisition – the bulk of the revenue will be recorded in the back half of the year given the timing of their release schedule.
 - \$40 M of the increase relates to our R&D investment in Hasbro games. Even with these costs, we expect the profit margins in our Casual Label to increase year-over-year.
 - Excluding the FX impact on expenses and the assumption of funding bonus at 100% – R&D in the rest of the business will be up

about 10% year-over-year, related to new IP investments and our online and mobile initiatives. In online, in addition to investing in communities and features that cut across all of our games, we are also supporting a second new MMO – Warhammer launching later this year.

- We expect sales and marketing to be down one point as a percentage of revenue vs. last year.
- And we expect G&A, to be down 1 to 1.5 points as a percentage of revenue vs. last year.

On Non-GAAP Operating margins.

- We continue to expect Non-GAAP operating margin* of 12% to 14% for FY09, or an increase of 4 to 6 points from fiscal 2008.

Below the operating income line.

- We continue to expect that non-GAAP other income and expense will be roughly \$50 M this year – down significantly as a result of a steep decline in interest rates.
- Income taxes.
 - For FY09, we expect a GAAP tax rate range of 40 to 55%, which includes the tax charges associated with the integration of VGH. Excluding VGH tax charges, our GAAP tax rate range is 27% to 32%. Our rate will fluctuate from quarter-to-quarter.
 - For non-GAAP* – we expect our rate for FY09 to be 28%. You can also use this 28% rate to model the quarters, including loss quarters.

Finally – two things you need to keep in mind for fiscal Q2.

- We project a non-GAAP loss in the quarter.
- On bonus phasing – we expect to incur \$35 to \$40 M in bonus expense vs. none in the prior year – due to the straight-line recognition of bonus expense which began this year.

Now our Q2 releases.

We expect to ship 13 titles and 36 SKUs in Q2 vs. 13 titles and 45 SKUs a year ago.

To date – we have shipped --

- NCAA 09 on 5 platforms (Xbox 360, PS3, Wii, PS2, PSP)

We also expect to ship --

- Madden NFL 09 on 7 platforms (Xbox 360, PS3, Wii, PS2, Xbox, PSP, NDS)
- Madden NFL Collectors Edition on the Xbox 360 and PS3 (not included in SKU count)
- Madden NFL 09 in Spanish on the Xbox 360 and PS3
- NFL Head Coach on the Xbox 360 and PS3
- SPORE on the PC and NDS
- Tiger PGA Tour 09 on 5 platforms (Xbox 360, PS3, Wii, PS2, PSP)
- Face Breaker on the Xbox 360 and PS3
- Mercenaries 2 on 4 platforms (Xbox 360, PS3, PS2 and PC)
- NHL 09 on the Xbox 360 and PS3
- Sim City Creator for the Wii and NDS
- Sims 2 Apartment Life Expansion Pack for the PC
- Sims 2 Apartment Pets for the NDS
- Brain Quest on the NDS

From EA Partners –

- Crysis Warhead Expansion Pack
- Rock Band Expansion Pack
- Rock Band 2 in North America on the Xbox 360
- Rock Band on the PS3 in Europe

EA Mobile –

- We've launched 3 games for the iPhone – Tetris, Scrabble and Sudoku – and expect to launch an additional 8 games in the quarter.
- On wireless devices -- we also plan to release 8 games – including SPORE, Life and Madden.

Please note FIFA 09 is shipping in Q3 globally this year – last year it shipped in Europe in Q2.

That concludes our guidance and outlook commentary.

I would like to now turn the call over to Peter Moore, President of our EA SPORTS Label.

Peter Moore:

Thanks, Eric.

Good afternoon everyone.

At EA SPORTS our strategy remains the same as we outlined in the February analyst day. We are working along two paths to accelerate profitable growth.

- First -- improve the innovation and quality in our core franchises with a special focus on the Wii.
- Second – make our business more digital and direct to consumer – with new business models.

So where are we today?

We are pleased with the quality and innovation in our sports titles this year.

- For example, NCAA received an average meta-critic rating of 83 on the Xbox 360 and PS3 – up five points on the PS3 from last year and up two points on the Xbox 360.
- The early reviews on Madden NFL 09 are strong and I'm confident that we will beat last year's meta-critic rating.
- In NBA Live – dynamic DNA is one of the most innovative features we've added to the franchise in years. We think it will resonate with consumers and help set our game apart from the competition.
- FIFA 09, Tiger PGA Tour 09 and NHL 09 also look great.
- We are also pushing on wholly-owned IP and the Nintendo platforms – with Face Breaker – our first new wholly-owned game since 2002 -- our All Play Wii brand targeted at the Nintendo audience -- and another yet to be announced title we expect to ship later in the year.

We expect the quality and innovation in our games to take a leap forward this year – and I couldn't be more proud of our creative teams.

As John indicated, one area that we are spending time understanding is the pre-order activity on NCAA and Madden.

- On NCAA Football, pre-orders were down over 20% year-over-year; however, sell through for the first two weeks has been consistent with last year.
- Pre-orders for Madden are also down, although the number of pre-orders has risen sharply in the last week. Gamers are smart and we believe the higher quality will translate into long-term equity for the franchise. We can't be 100% sure, but we're hopeful for Madden – like with NCAA -- quality will prove the more relevant indicator of sales.

Net -- the key indicators to date are mixed and are difficult to interpret. This year we conservatively planned our core franchises -- NCAA, Madden, Tiger, FIFA, NBA and NHL – expecting total units to be roughly flat year-over-year. We expect a single digit revenue increase for our core sports franchises given higher ASPs on current generation platforms. We are not changing our forecast today,

but are watching it carefully. If quality and innovation don't trump pre-orders, then we have some exposure which is currently reflected in our guidance range.

And finally – we've been making strides to drive our business digital direct to consumer. In a digital world – we think we can augment our retail packaged goods business with profitable direct to consumer revenue streams that expand the whole category.

- On Mid Session Games – we expect to expand our portfolio beyond FIFA Online 2 and beyond Korea. This year, we plan to expand FIFA to Thailand, Vietnam, Singapore, Taiwan and China. And, we expect to commercialize NBA Street in Asia later this year.
- As many of you probably noticed, this year we cut back on our PC sports games, but only for a year. We are retooling these titles to take advantage of the online connectivity in a bigger and a more meaningful way – stay tuned for more on this.
- Finally, we are working on subscription programs that will provide our large base of EA SPORTS consumers with greater value for their loyalty.

To sum it up – we are making good progress on the core – starting with game innovation and quality. We're going after wholly-owned properties and the Nintendo opportunity in a bigger way and creating new direct to consumer revenue streams to augment our great packaged goods business.

Now I would like to turn it back to John.

John Riccitiello:

Thanks, Peter.

Before we take your questions I want to emphasize a few thoughts.

- 2008 is another strong year for the interactive entertainment industry. We had previously expected to see to a growth range of 15% to 20% and now feel confident enough to raise our expectations to 20% or more.
- EA set strong goals for FY09, targeting non-GAAP revenue growth of \$1BN+ and a doubling of our non-GAAP operating profit, showing the start of the operating leverage a great title plan can deliver. On a non-GAAP basis, we're reconfirming the year – top & bottom line.
- We've got our eye on FY11 – and are taking steps now to drive both our core business and increase our digital/direct to consumer revenue to meet the FY11 targets we set in February of this year.

With that -- we would be happy to take your questions.

* 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, non-GAAP gross profit, non-GAAP operating income (loss), non-GAAP net income (loss) and historical and estimated 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:

- Amortization of intangibles
- Stock-based compensation
- Acquired in-process technology
- Restructuring charges
- Certain litigation expenses
- Losses on strategic investments
- Change in deferred net revenue (packaged goods and digital content)

Through the end of fiscal 2008, Electronic Arts made certain income tax adjustments to its non-GAAP financial measures to reflect the income tax effects of each of the items it excluded from its pre-tax non-GAAP financial measures, as well as certain discrete one-time income tax adjustments. This approach was consistent with how the Company evaluated operating performance, planned, forecasted and analyzed future periods, and assessed the performance of its management team.

In fiscal 2009, the Company began using a fixed, long-term projected tax rate of 28 percent internally to evaluate its operating performance, to forecast, plan and analyze future periods, and to assess the performance of its management team. Accordingly, the Company has applied the same 28 percent tax rate to its fiscal 2009 non-GAAP financial results.

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. Electronic Arts' management uses, and believes that investors benefit from referring to, these non-GAAP financial measures in assessing the Company's operating results both as a consolidated entity and at the business unit level, as well as when planning, forecasting and analyzing future periods. These non-GAAP financial measures also facilitate comparisons of the Company's performance to prior periods.

In its earnings press release dated July 29, 2008, Electronic Arts has provided a reconciliation of the most comparable GAAP financial measure to each of the historical non-GAAP financial measures.

Safe Harbor Statement

Some statements set forth in this document, including the estimates relating to EA's fiscal year 2009 guidance, contain forward-looking statements that are subject to change. Statements including words such as "anticipate", "believe", "estimate" or "expect" and statements in the future tense are forward-looking statements. 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 EA's results to differ materially from its expectations include the following: timely development and release of Electronic Arts' products; competition in the interactive entertainment industry; EA's ability to successfully implement its reorganization plans; the consumer demand for, and the availability of an adequate supply of console hardware units (including the Xbox 360™ video game and entertainment system, the PLAYSTATION® 3 computer entertainment system and the Wii™); consumer demand for software for legacy consoles, particularly the PlayStation 2; EA's ability to predict consumer preferences among competing hardware platforms; the financial impact of potential future acquisitions by EA, including the potential acquisition of Take-Two Interactive Software, Inc.; EA's ability to realize the anticipated benefits of its acquisition of VG Holding Corp.; consumer spending trends; the seasonal and cyclical nature of the interactive game segment; EA's ability to manage expenses during fiscal year 2009 and beyond; EA's ability to attract and retain key personnel; changes in EA's effective tax rates; the performance of strategic investments; adoption of new accounting regulations and standards; potential regulation of EA's products in key territories; developments in the law regarding protection of EA's products; fluctuations in foreign exchange rates; EA's ability to secure licenses to valuable entertainment properties on favorable terms; the general health of the U.S. and global economy; and other factors described in EA's Annual Report on Form 10-K for the year ended March 31, 2008. These forward-looking statements speak only as of July 29, 2008. Electronic Arts assumes no obligation and does not intend to update these forward-looking statements, including those made under the heading "Business Outlook". In addition, the preliminary financial results set forth in this release 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 Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2008. Electronic Arts assumes no obligation and does not intend to update these estimates prior to filing its Form 10-Q for the quarter year ended June 30, 2008.