



# Electronic Arts Inc. Q3 FY 2014 Results

January 28, 2014

# Safe Harbor Statement

Please review our risk factors on Form 10-Q filed with the SEC.

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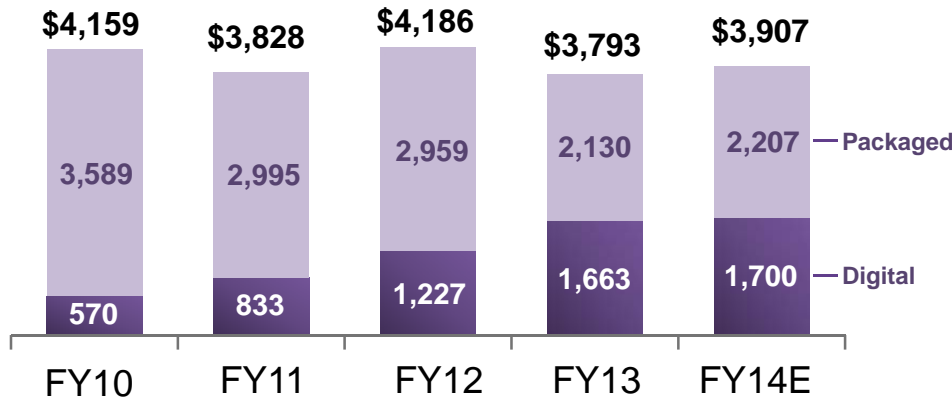
- Some statements set forth in this document, including the information relating to EA's fiscal year 2014 guidance and title slate, contain forward-looking statements that are subject to change. Statements including words such as "anticipate", "believe", "estimate" or "expect" and statements in the future tense are forward-looking statements. These forward-looking statements are preliminary estimates and expectations based on current information 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 in the forward-looking statements. Some of the factors which could cause the Company's results to differ materially from its expectations include the following: sales of the Company's titles; the Company's ability to manage expenses; the competition in the interactive entertainment industry; the effectiveness of the Company's sales and marketing programs; timely development and release of Electronic Arts' products; the Company's ability to realize the anticipated benefits of acquisitions; the consumer demand for, and the availability of an adequate supply of console hardware units; the Company's ability to predict consumer preferences among competing platforms; the Company's ability to service and support digital product offerings, including managing online security; general economic conditions; and other factors described in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2013.
- These forward-looking statements are valid as of January 28, 2014 only.
- The preliminary financial results set forth in this document 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 December 31, 2013. Electronic Arts assumes no obligation and does not intend to update these estimates prior to filing its Form 10-Q for the fiscal quarter ended December 31, 2013.

# EA Growth Trends

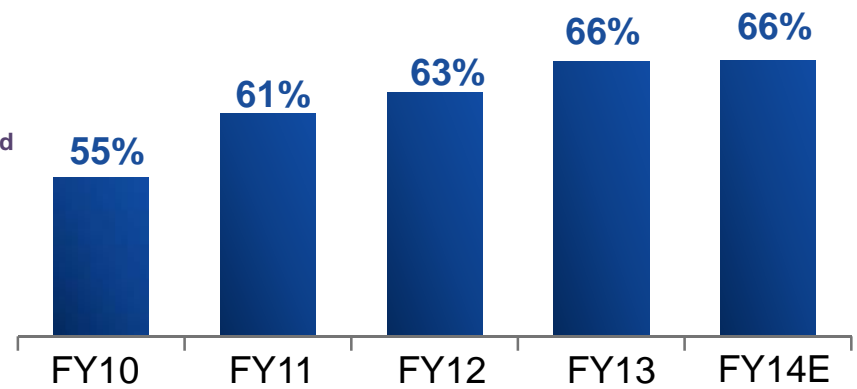


## Net Revenue <sup>1</sup>

(\$ in Millions)

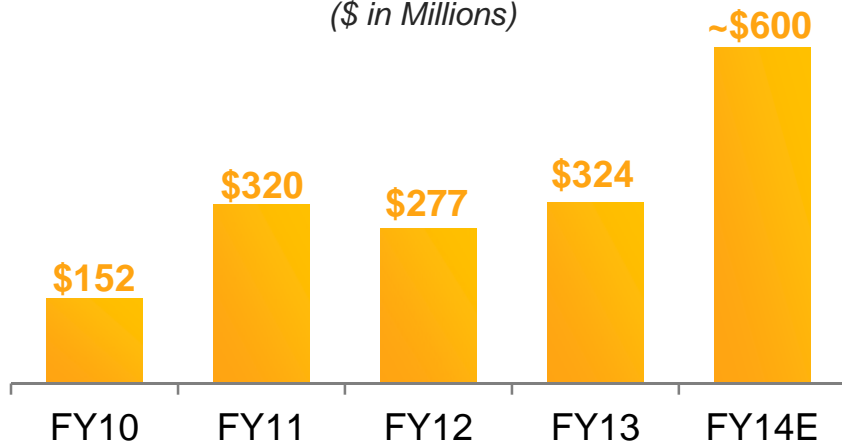


## Gross Profit <sup>1</sup>



## Operating Cash Flow

(\$ in Millions)



## Diluted EPS <sup>1</sup>



<sup>1</sup> On a non-GAAP basis. FY14 non-GAAP tax rate is 25%. Through FY13, the non-GAAP tax rate was 28%.

# Q3 FY14 Guidance vs. Actuals

Ending December 31, 2013



	GAAP		Non-GAAP	
	Guidance	Actuals	Guidance	Actuals
Net Revenue	\$775	\$808	\$1,650	\$1,572
Gross Profit Margin	30%	36.0%	68%	68.1%
Operating Expense	\$646	\$583	\$600	\$540
Tax Expense	\$15	\$10	\$129	\$133
Net Income/(Loss)	(\$439)	(\$308)	\$388	\$398
Diluted Earnings/(Loss) Per Share	(\$1.42)	(\$1.00)	\$1.22	\$1.26
Diluted Shares	309	309	318	317

In millions, except per share data.

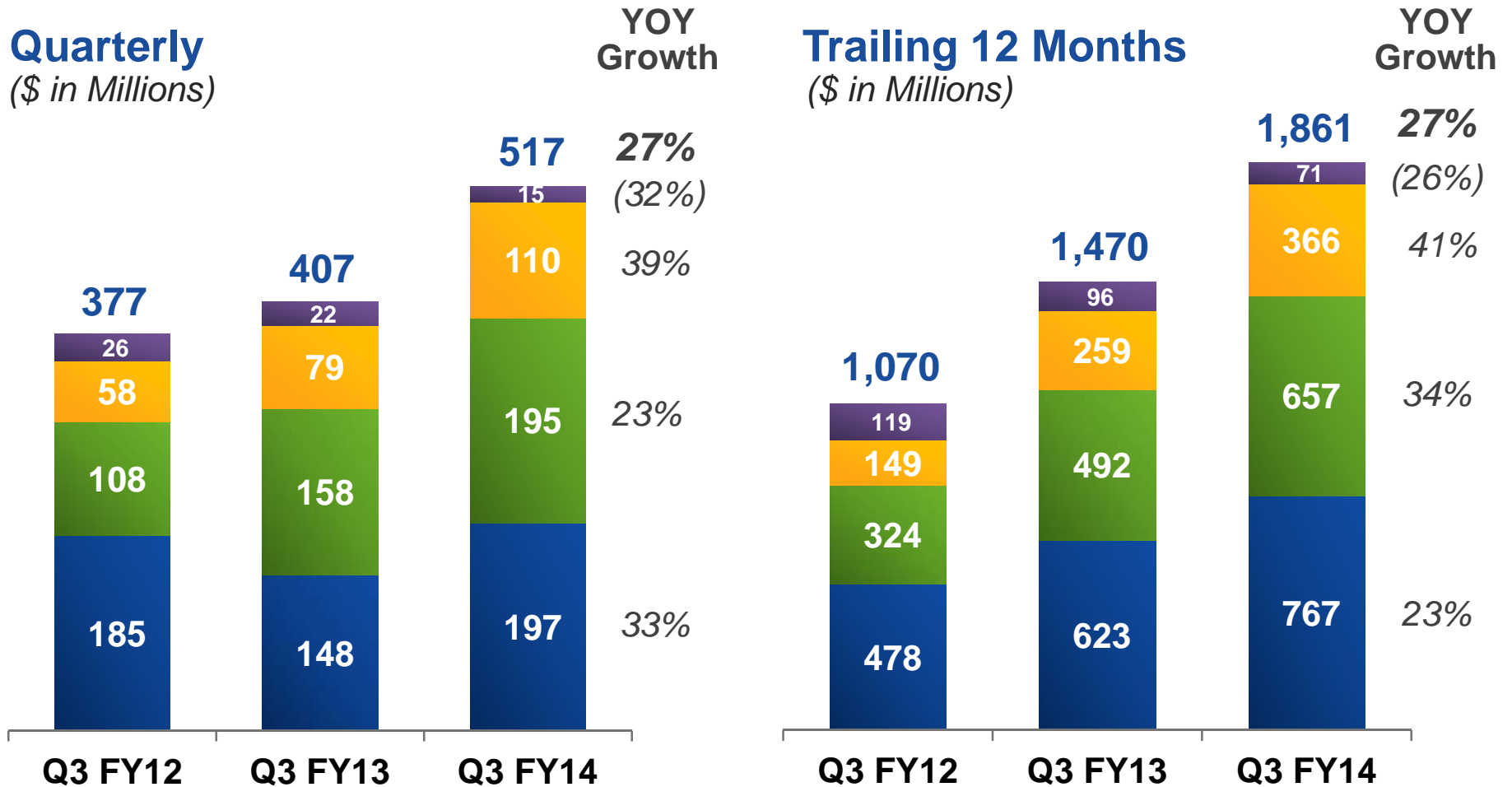
# Q3 FY14 Financial Summary



	GAAP		Non-GAAP	
	Q3FY13	Q3 FY14	Q3 FY13	Q3 FY14
Net Revenue	\$922	\$808	1,182	\$1,572
Gross Profit Margin	53.5%	36.0%	65.7%	68.1%
Operating Expense	\$532	\$583	\$529	\$540
Operating Income/(Loss)	(\$39)	(\$292)	\$247	\$531
Operating Margin	(4.2%)	(36.1%)	20.9%	33.8%
Diluted Earnings/(Loss) Per Share	(\$0.15)	(\$1.00)	\$0.57	\$1.26
Operating Cash Flow	\$363	\$685		
EBITDA	\$60	(\$199)	\$277	\$564

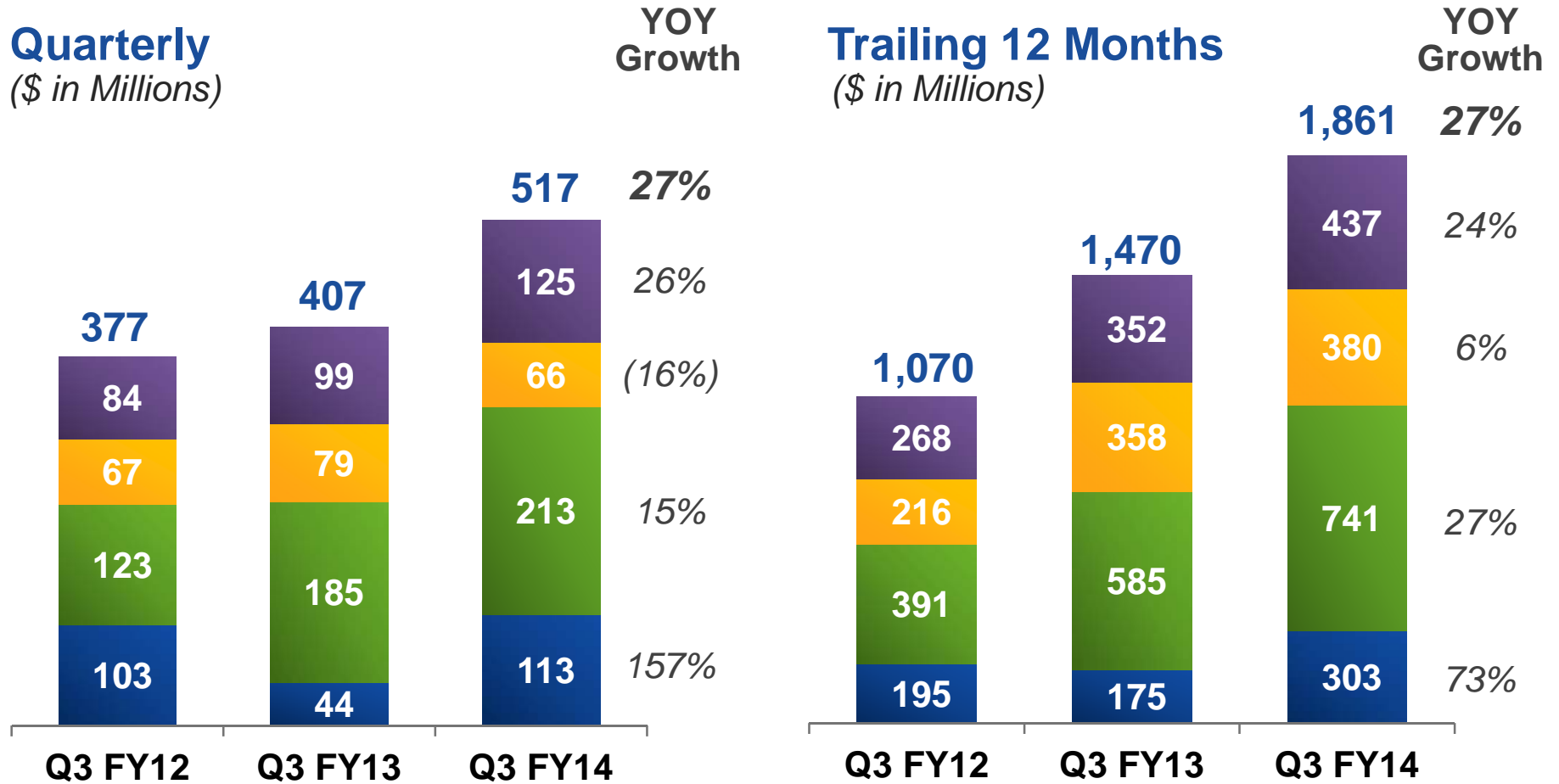
In millions, except per share data.

# EA Digital Revenue<sup>1</sup> by Platform



<sup>1</sup> In millions, on a non-GAAP basis. PC includes browser.

# EA Digital Revenue<sup>1</sup> by Type



<sup>1</sup> In millions, on a non-GAAP basis.

# FY 14 Titles and Services



HD	Subscription	PC Client/Browser	Mobile/Tablet	Social
FY14 Releases				
<i>Others to be announced</i>				
Existing Live Services				



# Guidance – Q4 FY14

Ending March 31, 2014



	<b>GAAP</b>	<b>Non-GAAP</b>
Net Revenue	\$1,070	\$800
Gross Profit Margin	77%	71%
Operating Expense	\$569	\$525
Tax Expense	\$15	\$10
Net Income (Loss)	\$230	\$29
Earnings (Loss) Per Share	\$0.72	\$0.09
Diluted Shares	318	318

In millions, except per share data.

Non-GAAP Tax Rate: 25%.

These forward-looking statements are valid as of January 28, 2014 only.

Electronic Arts assumes no obligation to update these forward-looking statements.

# Guidance – Full Year FY14

Ending March 31, 2014



	GAAP	Non-GAAP
Net Revenue		
Publishing and Other Net Revenue	\$1,922	\$2,107
Digital Net Revenue	\$1,500	\$1,700
Distribution Net Revenue	\$100	\$100
Total Net Revenue	\$3,522	\$3,907
Gross Profit Margin	61%	66%
Operating Expense	\$2,209	\$2,041
Tax Expense	\$44	\$137
Net Income (Loss)	(\$130)	\$411
Earnings (Loss) Per Share	(\$0.42)	\$1.30
Diluted Shares (Basic for Loss)	308	316
Operating Cash Flow	~\$600	

In millions, except per share data.

Non-GAAP Tax Rate: 25%.

These forward-looking statements are valid as of January 28, 2014 only.

Electronic Arts assumes no obligation to update these forward-looking statements.

# Guidance - Phasing

## FY14 Quarterly Revenue<sup>1</sup>

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Non-GAAP Net Revenue	Q1	Q2	Q3	Q4E
Non-GAAP	13%	27%	40%	20%
GAAP	27%	20%	23%	30%

<sup>1</sup> These forward-looking statements are valid as of January 28, 2014 only. Electronic Arts assumes no obligation to update these forward-looking statements. The difference in GAAP and non-GAAP quarterly phasing is due to the change in deferred net revenue (online enabled games).

# FY14 Announced Titles



<b>Q1</b>	Games	Fuse <sup>(1)</sup>	Console		
<b>Q2</b>	Sports	FIFA 14	Console	Handheld/Mobile	PC
		Madden NFL 25	Console	Handheld/Mobile	
		NCAA Football 14	Console		
		NHL 14	Console		
<b>Q3</b>	Sports	FIFA Manager 14			PC
		NBA Live 14	Console		
	Games	Battlefield 4	Console		PC
		Need for Speed Rivals	Console		PC
<b>Q4</b>	Games	Titanfall <sup>(1)</sup>	Console		PC
		Plants vs. Zombies: Garden Warfare	Console		

<sup>(1)</sup> Co-Published Title



# Supplemental Financial Information



# Guidance<sup>1</sup>

## Currency Assumptions

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- Exchange rates remain volatile
- Current guidance FX assumptions:
  - \$1.37 USD/Euro
    - Revenue and EPS decreases if the Euro weakens v. USD
  - \$1.63 USD/British Pound Sterling
    - Revenue and EPS decreases if the British Pound Sterling weakens v. USD
  - \$0.94 USD/Canadian Dollar
    - R&D costs increase if the Canadian Dollar strengthens v. USD
- Using spot exchange rates as of January 27, 2014:
  - Neutral to FY14 non-GAAP EPS
  - Negligible impact for remainder of FY14 non-GAAP Net Operating Income

<sup>1</sup> These forward-looking statements are valid as of January 28, 2014 only. Electronic Arts assumes no obligation to update these forward-looking statements.

# 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:
  - Acquisition-related expenses
  - Amortization of debt discount
  - Certain non-recurring litigation expenses
  - Change in deferred net revenue (online-enabled games)
  - College football settlement expenses
  - Loss (gain) on strategic investments
  - Restructuring charges
  - Stock-based compensation
  - Income tax adjustments

Through fiscal year 2013, the Company used 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 applied the same 28 percent tax rate to its non-GAAP financial results. Beginning in fiscal year 2014, the Company has applied a 25 percent tax rate to its 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 January 28, 2014, Electronic Arts has provided a reconciliation of the most comparable GAAP financial measures to the non-GAAP financial measures.

# Q3 FY14 Reconciliation



## GAAP to Non-GAAP Unaudited Condensed Consolidated Statement of Operations

Three Months Ended December 31, 2013

	GAAP Results	% of Revenue	Acquisition- related expenses	Amortization of debt discount	Change in Deferred Net Revenue (Online- Enabled Games)	Restructuring and other	Stock-based compensation	Income tax adjustments	Non-GAAP Results	% of Revenue
<b>Net revenue</b>	<b>\$ 808</b>		\$ -	\$ -	\$ 764	\$ -	\$ -	\$ -	<b>\$ 1,572</b>	
Cost of revenue	517	64.0%	(16)	-	-	-	-	-	501	31.9%
<b>Gross profit</b>	<b>291</b>	<b>36.0%</b>	<b>16</b>	<b>-</b>	<b>764</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,071</b>	<b>68.1%</b>
Operating expenses:										
Marketing and sales	214	26.4%	-	-	-	-	(7)	-	207	13.2%
General and administrative	91	11.3%	-	-	-	-	(8)	-	83	5.3%
Research and development	275	34.0%	-	-	-	-	(25)	-	250	15.8%
Acquisition-related contingent consideration	-	-	-	-	-	-	-	-	-	-
Amortization of intangibles	4	0.5%	(4)	-	-	-	-	-	-	-
Restructuring and other	(1)	-0.1%	-	-	-	1	-	-	-	-
Total operating expenses	583	72.1%	(4)	-	-	1	(40)	-	540	34.3%
<b>Operating income (loss)</b>	<b>(292)</b>	<b>-36.1%</b>	<b>20</b>	<b>-</b>	<b>764</b>	<b>(1)</b>	<b>40</b>	<b>-</b>	<b>531</b>	<b>33.8%</b>
Interest and other income (expense), net	(6)	-0.8%	-	6	-	-	-	-	-	-
Income (loss) before provision for income taxes	(298)	-36.9%	20	6	764	(1)	40	-	531	33.8%
Provision for income taxes	10	1.2%	-	-	-	-	-	123	133	8.5%
<b>Net income (loss)</b>	<b>\$ (308)</b>	<b>-38.1%</b>	<b>\$ 20</b>	<b>\$ 6</b>	<b>\$ 764</b>	<b>\$ (1)</b>	<b>\$ 40</b>	<b>\$ (123)</b>	<b>\$ 398</b>	<b>25.3%</b>
<b>Loss per share</b>							<b>Earnings per share</b>			
Basic and diluted	\$ (1.00)						Basic	\$ 1.29		
							Diluted	\$ 1.26		
Number of shares used in computation							Number of shares used in computation			
Basic and diluted	309						Basic	309		
							Diluted	317		

In millions, except per share data.



# Q3 FY13 Reconciliation



## GAAP to Non-GAAP Unaudited Condensed Consolidated Statement of Operations

Three Months Ended December 31, 2012

	GAAP Results	% of Revenue	Acquisition-related expenses	Amortization of debt discount	Change in Deferred Net Revenue (Online-Enabled Games)	Gain on strategic investments	Restructuring and other	Stock-based compensation	Income tax adjustments	Non-GAAP Results	% of Revenue
<b>Net revenue</b>	<b>\$ 922</b>		\$ -	\$ -	\$ 260	\$ -	\$ -	\$ -	\$ -	<b>\$ 1,182</b>	
Cost of revenue	429	46.5%	(23)	-	-	-	-	-	-	406	34.3%
<b>Gross profit</b>	<b>493</b>	<b>53.5%</b>	<b>23</b>	<b>-</b>	<b>260</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>776</b>	<b>65.7%</b>
Operating expenses:											
Marketing and sales	220	23.9%	-	-	-	-	-	(7)	-	213	18.0%
General and administrative	70	7.6%	-	-	-	-	-	(7)	-	63	5.4%
Research and development	278	30.1%	-	-	-	-	-	(25)	-	253	21.4%
Acquisition-related contingent consideration	(45)	-4.9%	45	-	-	-	-	-	-	-	-
Amortization of intangibles	7	0.8%	(7)	-	-	-	-	-	-	-	-
Restructuring and other	2	0.2%	-	-	-	-	(2)	-	-	-	-
Total operating expenses	532	57.7%	38	-	-	-	(2)	(39)	-	529	44.8%
<b>Operating income (loss)</b>	<b>(39)</b>	<b>-4.2%</b>	<b>(15)</b>	<b>-</b>	<b>260</b>	<b>-</b>	<b>2</b>	<b>39</b>	<b>-</b>	<b>247</b>	<b>20.9%</b>
Gain on strategic investments	14	1.5%	-	-	-	(14)	-	-	-	-	-
Interest and other income (expense), net	(8)	-0.9%	-	5	-	-	-	-	-	(3)	-0.3%
Income (loss) before provision for income taxes	(33)	-3.6%	(15)	5	260	(14)	2	39	-	244	20.6%
Provision for income taxes	12	1.3%	-	-	-	-	-	-	56	68	5.7%
<b>Net income (loss)</b>	<b>\$ (45)</b>	<b>-4.9%</b>	<b>\$ (15)</b>	<b>\$ 5</b>	<b>\$ 260</b>	<b>\$ (14)</b>	<b>\$ 2</b>	<b>\$ 39</b>	<b>\$ (56)</b>	<b>\$ 176</b>	<b>14.9%</b>
<b>Loss per share</b>											
Basic and diluted	\$ (0.15)										
								<b>Earnings per share</b>			
								Basic		\$ 0.58	
								Diluted		\$ 0.57	
Number of shares used in computation								Number of shares used in computation			
Basic and diluted	304							Basic		304	
								Diluted		308	

In millions, except per share data.

# TTM Q3 FY14 Reconciliation



## GAAP to Non-GAAP Unaudited Condensed Consolidated Statement of Operations

Trailing Twelve Months Ended December 31, 2013

	GAAP Results	% of Revenue	Acquisition-related expenses	Amortization of debt discount	Change in Deferred Net Revenue (Online-Enabled Games)	College football settlement expenses	Gain on strategic investments	Restructuring and other	Stock-based compensation	Income tax adjustments	Non-GAAP Results	% of Revenue
<b>Net revenue</b>	<b>\$ 3,661</b>		\$ -	\$ -	\$ 486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,147	
Cost of revenue	1,433	39.1%	(86)	-	-	-	-	-	(2)	-	1,345	32.4%
<b>Gross profit</b>	<b>2,228</b>	<b>60.9%</b>	<b>86</b>	<b>-</b>	<b>486</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2,802</b>	<b>67.6%</b>
Operating expenses:												
Marketing and sales	723	19.8%	-	-	-	-	-	-	(27)	-	696	16.8%
General and administrative	401	11.0%	-	-	-	(40)	-	-	(34)	-	327	7.9%
Research and development	1,123	30.7%	-	-	-	-	-	-	(90)	-	1,033	24.9%
Acquisition-related contingent consideration	(36)	-1.0%	36	-	-	-	-	-	-	-	-	-
Amortization of intangibles	21	0.6%	(21)	-	-	-	-	-	-	-	-	-
Restructuring and other	(2)	-0.1%	-	-	-	-	-	2	-	-	-	-
Total operating expenses	2,230	61.0%	15	-	-	(40)	-	2	(151)	-	2,056	49.6%
<b>Operating income (loss)</b>	<b>(2)</b>	<b>-0.1%</b>	<b>71</b>	<b>-</b>	<b>486</b>	<b>40</b>	<b>-</b>	<b>(2)</b>	<b>153</b>	<b>-</b>	<b>746</b>	<b>18.0%</b>
Gain on strategic investments	25	0.7%	-	-	-	-	(25)	-	-	-	-	-
Interest and other income (expense), net	(23)	-0.6%	-	21	-	-	-	-	-	-	(2)	-
Income before provision for income taxes	-	-	71	21	486	40	(25)	(2)	153	-	744	18.0%
Provision for income taxes	36	1.0%	-	-	-	-	-	-	-	157	193	4.7%
<b>Net income (loss)</b>	<b>\$ (36)</b>	<b>-1.0%</b>	<b>\$ 71</b>	<b>\$ 21</b>	<b>\$ 486</b>	<b>\$ 40</b>	<b>\$ (25)</b>	<b>\$ (2)</b>	<b>\$ 153</b>	<b>\$ (157)</b>	<b>\$ 551</b>	<b>13.3%</b>

In millions

# TTM Q3 FY13 Reconciliation



## GAAP to Non-GAAP Unaudited Condensed Consolidated Statement of Operations

Trailing Twelve Months Ended December 31, 2012

	GAAP Results	% of Revenue	Acquisition-related expenses	Amortization of debt discount	Certain non-recurring litigation expenses	Change in Deferred Net Revenue (Online-Enabled Games)	Gain on strategic investments	Restructuring and other	Stock-based compensation	Income tax adjustments	Non-GAAP Results	% of Revenue
<b>Net revenue</b>	<b>\$ 3,956</b>		\$ -	\$ -	\$ -	\$ (226)	\$ -	\$ -	\$ -	\$ -	<b>\$ 3,730</b>	
Cost of revenue	1,453	36.7%	(79)	-	-	-	-	-	(2)	-	1,372	36.8%
<b>Gross profit</b>	<b>2,503</b>	<b>63.3%</b>	<b>79</b>	-	-	<b>(226)</b>	-	-	<b>2</b>	-	<b>2,358</b>	<b>63.2%</b>
Operating expenses:												
Marketing and sales	819	20.7%	-	-	-	-	-	-	(31)	-	788	21.1%
General and administrative	376	9.5%	-	-	(27)	-	-	-	(34)	-	315	8.4%
Research and development	1,140	28.8%	-	-	-	-	-	-	(96)	-	1,044	28.0%
Acquisition-related contingent consideration	(62)	-1.6%	62	-	-	-	-	-	-	-	-	-
Amortization of intangibles	27	0.7%	(27)	-	-	-	-	-	-	-	-	-
Restructuring and other	26	0.7%	-	-	-	-	-	(26)	-	-	-	-
Total operating expenses	2,326	58.8%	35	-	(27)	-	-	(26)	(161)	-	2,147	57.5%
<b>Operating income</b>	<b>177</b>	<b>4.5%</b>	<b>44</b>	-	<b>27</b>	<b>(226)</b>	-	<b>26</b>	<b>163</b>	-	<b>211</b>	<b>5.7%</b>
Gain on strategic investments	14	0.3%	-	-	-	-	(14)	-	-	-	-	-
Interest and other income (expense), net	(21)	-0.5%	-	20	-	-	-	-	-	-	(1)	-0.1%
Income before provision for (benefit from) income taxes	170	4.3%	44	20	27	(226)	(14)	26	163	-	210	5.6%
Provision for (benefit from) income taxes	(5)	-0.1%	-	-	-	-	-	-	-	64	59	1.6%
<b>Net income</b>	<b>\$ 175</b>	<b>4.4%</b>	<b>\$ 44</b>	<b>\$ 20</b>	<b>\$ 27</b>	<b>\$ (226)</b>	<b>\$ (14)</b>	<b>\$ 26</b>	<b>\$ 163</b>	<b>\$ (64)</b>	<b>\$ 151</b>	<b>4.0%</b>

# Q3 FY14 EBITDA Reconciliation



The following table provides a reconciliation of the non-GAAP financial measures regarding Electronic Arts' Earnings Before Interest, Taxes, Depreciation, Amortization and Stock-based Compensation ("EBITDA") to the nearest comparable GAAP financial measures.

	Three Months Ended December 31, 2013					
	GAAP Results	Acquisition-related expenses	Change in deferred net revenue (online-enabled games)	Restructuring and other	Stock-Based compensation	Non-GAAP Results
Operating income (loss)	\$ (292)	\$ 20	\$ 764	\$ (1)	\$ 40	\$ 531
Adjustments:						
Stock-based compensation	40	-	-	-	(40)	-
Depreciation	33	-	-	-	-	33
Amortization of acquisition-related intangibles	20	(20)	-	-	-	-
Total adjustments	93	(20)	-	-	(40)	33
<b>EBITDA</b>	<b>\$ (199)</b>	<b>\$ -</b>	<b>\$ 764</b>	<b>\$ (1)</b>	<b>\$ -</b>	<b>\$ 564</b>

# Q3 FY13 EBITDA Reconciliation



The following table provides a reconciliation of the non-GAAP financial measures regarding Electronic Arts' Earnings Before Interest, Taxes, Depreciation, Amortization and Stock-based Compensation ("EBITDA") to the nearest comparable GAAP financial measures.

	Three Months Ended December 31, 2012					
	GAAP Results	Acquisition-related expenses	Change in deferred net revenue (online-enabled games)	Restructuring and other	Stock-Based compensation	Non-GAAP Results
Operating income (loss)	\$ (39)	\$ (15)	\$ 260	\$ 2	\$ 39	\$ 247
Adjustments:						
Stock-based compensation	39	-	-	-	(39)	-
Depreciation	30	-	-	-	-	30
Amortization of acquisition-related intangibles	30	(30)	-	-	-	-
Total adjustments	99	(30)	-	-	(39)	30
<b>EBITDA</b>	<b>\$ 60</b>	<b>\$ (45)</b>	<b>\$ 260</b>	<b>\$ 2</b>	<b>\$ -</b>	<b>\$ 277</b>

# Q4 FY14 Guidance Reconciliation



The following table provides a reconciliation of the non-GAAP financial measures regarding Electronic Arts' Q4 FY14 guidance to the nearest comparable GAAP financial measures. These are preliminary estimates and expectations based on current information as of January 28, 2014 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.

	<u>GAAP Guidance</u>	<u>Acquisition- related expenses and Amortization</u>	<u>Amortization of Debt Discount</u>	<u>Change in Deferred Net Revenue (Packaged Goods and Digital Content)</u>	<u>Stock-Based Compensation</u>	<u>Tax Adjustments</u>	<u>Non-GAAP Guidance</u>
<b>Approximate Net Revenue</b>	\$ 1,070			(270)			\$ 800
<b>Approximate Gross Margin %</b>	77%	1%		(7%)			71%
<b>Approximate Operating Expense</b>	\$ 569	(4)			(40)		\$ 525
<b>Approximate Tax Expense (Benefit)</b>	\$ 15					(5)	\$ 10
<b>Net Income (Loss)</b>	\$ 230	19	5	(270)	40	5	\$ 29
<b>Earnings (Loss) Per Share</b>	\$ 0.72						\$ 0.09
Diluted shares (Basic for Loss)	318						318

In millions, except per share data.

These forward-looking statements are valid as of January 28, 2014 only.

Electronic Arts assumes no obligation to update these forward-looking statements.

# FY14 Guidance Reconciliation



The following table provides a reconciliation of the non-GAAP financial measures regarding Electronic Arts' FY14 guidance to the nearest comparable GAAP financial measures. These are preliminary estimates and expectations based on current information as of January 28, 2014 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.

	GAAP Guidance	Acquisition- related expenses and Amortization	Amortization of Debt Discount	Change in Deferred Net Revenue (Packaged Goods and Digital Content)	College Football Settlement Expenses	Restructuring	Stock-Based Compensation	Tax Adjustments	Non-GAAP Guidance
<i>Approximate Net Revenue</i>	\$ 3,522			385					\$ 3,907
<i>Approximate Gross Margin %</i>	61%	2%		3%					66%
<i>Approximate Operating Expense</i>	\$ 2,209	21			(40)	2	(151)		\$ 2,041
<i>Approximate Tax Expense (Benefit)</i>	\$ 44							93	\$ 137
<b>Net Income (Loss)</b>	\$ (130)	39	21	385	40	(2)	151	(93)	\$ 411
<b>Earnings (Loss) Per Share</b>	\$ (0.42)								\$ 1.30
Diluted shares (Basic for Loss)	308								316

In millions, except per share data.

These forward-looking statements are valid as of January 28, 2014 only.

Electronic Arts assumes no obligation to update these forward-looking statements.