



Supplemental Information
First Quarter Fiscal 2009
June 30, 2008

Supplemental Information

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GAAP to Non-GAAP Results

(in millions, except per share data)

The following tables reconcile the Company's Unaudited Condensed Consolidated Statements of Operations as prepared in accordance with Generally Accepted Accounting Principles ("GAAP") to its non-GAAP Unaudited Condensed Consolidated Statements of Operations. The Company's non-GAAP results exclude the following, if any: the impact of the change in deferred net revenue (packaged goods and digital content), acquisition-related expenses (such as amortization of intangibles and acquired in-process technology), stock-based compensation, restructuring charges, and other charges (such as certain litigation expenses and losses on strategic investments). In addition, prior to fiscal 2009, the Company's non-GAAP financial results excluded income tax adjustments consisting of the income tax expense or benefit associated with the foregoing excluded items and the impact of certain one-time income tax adjustments. On April 1, 2008, the Company began using a fixed, long-term projected tax rate of 28% 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 began applying the same 28% tax rate to its fiscal 2009 non-GAAP financial results. Had the three months ended June 30, 2007, been adjusted to reflect a comparable 28% non-GAAP tax rate, adjusted income tax adjustments would have been (\$3) as compared to (\$17), adjusted non-GAAP net loss would have been \$55 as compared to \$69, and adjusted non-GAAP diluted loss per share would have been \$0.18 as compared to \$0.22.

Q109 Reconciliation

GAAP to Non-GAAP Unaudited Condensed Consolidated Statement of Operations (in millions, except per share data)

	Three Months Ended June 30, 2008								
	GAAP Results	Change in Deferred Net Revenue	Amortization of Intangibles	Stock-Based Compensation	Acquired In- Process Technology	Restructuring Charges	Losses on Strategic Investments	Income Tax Adjustments	Non-GAAP Results
Net revenue	\$ 804	\$ (195)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 609
Cost of goods sold	296	-	(3)	(1)	-	-	-	-	292
Gross profit	508	(195)	3	1	-	-	-	-	317
Operating expenses:									
Marketing and sales	128	-	-	(5)	-	-	-	-	123
General and administrative	84	-	-	(10)	-	-	-	-	74
Research and development	356	-	-	(34)	-	-	-	-	322
Amortization of intangibles	15	-	(15)	-	-	-	-	-	-
Acquired in-process technology	2	-	-	-	(2)	-	-	-	-
Restructuring charges	20	-	-	-	-	(20)	-	-	-
Total operating expenses	605	-	(15)	(49)	(2)	(20)	-	-	519
Operating loss	(97)	(195)	18	50	2	20	-	-	(202)
Losses on strategic investments	(6)	-	-	-	-	-	6	-	-
Interest and other income, net	15	-	-	-	-	-	-	-	15
Loss before provision for (benefit from) income taxes	(88)	(195)	18	50	2	20	6	-	(187)
Provision for (benefit from) income taxes	7	-	-	-	-	-	-	(59)	(52)
Net loss	\$ (95)	\$ (195)	\$ 18	\$ 50	\$ 2	\$ 20	\$ 6	\$ 59	\$ (135)
Loss per share:									
Basic and diluted	\$ (0.30)								\$ (0.42)
Number of shares used in computation:									
Basic and diluted	318								318

Q108 Reconciliation

GAAP to Non-GAAP Unaudited Condensed Consolidated Statement of Operations (in millions, except per share data)

	Three Months Ended June 30, 2007								
	GAAP Results	Change in Deferred Net Revenue	Amortization of Intangibles	Stock-Based Compensation	Acquired In- Process Technology	Restructuring Charges	Losses on Strategic Investments	Income Tax Adjustments	Non-GAAP Results
Net revenue	\$ 395	\$ 36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 431
Cost of goods sold	166	-	(7)	-	-	-	-	-	159
Gross profit	229	36	7	-	-	-	-	-	272
Operating expenses:									
Marketing and sales	82	-	-	(4)	-	-	-	-	78
General and administrative	71	-	-	(8)	-	-	-	-	63
Research and development	250	-	-	(16)	-	-	-	-	234
Amortization of intangibles	7	-	(7)	-	-	-	-	-	-
Restructuring charges	2	-	-	-	-	(2)	-	-	-
Total operating expenses	412	-	(7)	(28)	-	(2)	-	-	375
Operating loss	(183)	36	14	28	-	2	-	-	(103)
Interest and other income, net	27	-	-	-	-	-	-	-	27
Loss before benefit from income taxes	(156)	36	14	28	-	2	-	-	(76)
Benefit from income taxes	(24)	-	-	-	-	-	-	17	(7)
Net loss	\$ (132)	\$ 36	\$ 14	\$ 28	\$ -	\$ 2	\$ -	\$ (17)	\$ (69)
Loss per share:									
Basic and diluted	\$ (0.42)								\$ (0.22)
Number of shares used in computation:									
Basic and diluted	311								311

SKU Count

EA Titles -- FY09 Estimate vs. FY08

	FY09 Estimate	FY08
Platform		
Xbox 360™	~30	20
PlayStation®3	~30	17
Wii™	20+	14
PlayStation®2	~ 15	15
Xbox	1	2
NDS™	~20	12
PSP™	~ 8	9
GBA	-	1
PC	30+	22
Total	150+	112

Trailing Twelve Month Segment Shares

North America and Europe

	Fiscal Year 2008				Fiscal Year 2009
	Q1	Q2	Q3	Q4	Q1
North America ⁽¹⁾					
Xbox 360™	23%	21%	22%	25%	25%
Xbox®	33	29	28	29	31
PlayStation®3	24	29	28	30	27
PlayStation®2	22	19	19	21	22
Wii™	9	11	12	11	11
Nintendo GameCube™	12	11	9	9	10
NDS™	4	4	6	6	6
PSP™	26	24	24	23	22
GBA	3	3	2	2	2
PC	23	23	24	25	25
Total North America	18%	18%	18%	19%	19%
Europe ⁽²⁾					
Xbox 360™	17%	17%	17%	18%	17%
Xbox®	33	37	30	31	31
PlayStation®3	17	19	22	23	19
PlayStation®2	21	21	23	25	26
Wii™	8	12	15	15	11
Nintendo GameCube™	23	23	15	14	15
NDS™	9	8	9	9	9
PSP™	23	23	24	25	26
GBA	9	10	10	10	12
PC	29	29	30	31	31
Total Europe	19%	19%	19%	20%	18%

* Trailing Twelve Months

(1) North America platform share information is based on NPD TRSTS data.

(2) Europe platform share information is based on EA estimates as no services comparable to NPD TRSTS exist in Europe.

Financial Guidance Summary

Fiscal 2009

(\$ in Millions, except per share data)

Net Revenue

FY09

Online Revenue

Wireless Revenue

Gross Margin - %

FY09

Back Half of FY09

Research & Development

FY09 - Y/Y Growth %

General & Administrative

FY09 - % of Revenue

Sales & Marketing

FY09 - % of Revenue

Bonus Phasing

Q2 Bonus Impact

Operating Margins

FY09

Other Income & Expense

FY09

Income Tax Expense / Rate

FY09

Quarters

Diluted EPS

FY09

Q2

Share Count (MM)

FY09

	GAAP	Non-GAAP
	\$4.9 to \$5.15 BN	\$5.0 to \$5.3 BN
	Not provided	>\$285 M
	Not provided	>\$185 M
	55% to 58%	57% to 59%
	Not provided	Low 60%
	Not provided	~ 30%
	Not provided	Down 1 - 1.5 Points as % of Revenue
	Not provided	Down 1 Point as % of Revenue
	\$35 to \$40 M	\$35 to \$40 M
	Not provided	12% to 14%
	Not provided	~ \$50M
	40% to 55%	28%
	Not provided	28%
	\$0.21 to \$0.48	\$1.30 to \$1.70
	Not provided	Loss
	331 (diluted)	331 (diluted)

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% 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% 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. 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 fiscal quarter ended June 30, 2008.