



**Supplemental Information
Second Quarter Fiscal 2009
September 30, 2008**

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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, acquired in-process technology, and certain abandoned acquisition-related costs), stock-based compensation, restructuring charges, 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 September 30, 2007, been adjusted to reflect a comparable 28% non-GAAP tax rate, adjusted income tax adjustments would have been (\$78) as compared to (\$71), adjusted non-GAAP net income would have been \$80 as compared to \$87, and adjusted non-GAAP diluted earnings per share would have been \$0.25 as compared to \$0.27. Had the six months ended September 30, 2007, been adjusted to reflect a comparable 28% non-GAAP tax rate, adjusted income tax adjustments would have been (\$81) as compared to (\$88), adjusted non-GAAP net income would have been \$25 as compared to \$18, and adjusted non-GAAP diluted earnings per share would have been \$0.08 as compared to \$0.06.

Q209 Reconciliation

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

Three Months Ended September 30, 2008

	GAAP Results	Change in Deferred Net Revenue - Packaged Goods and Digital Content	Amortization of Intangibles	Stock-Based Compensation	Acquired In- Process Technology	Restructuring Charges	Losses on Strategic Investments	Certain Abandoned Acquisition- Related Costs	Income Tax Adjustments	Non-GAAP Results
Net revenue	\$ 894	\$ 232	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,126
Cost of goods sold	557	-	(4)	-	-	-	-	-	-	553
Gross profit	337	232	4	-	-	-	-	-	-	573
Operating expenses:										
Marketing and sales	197	-	-	(5)	-	-	-	-	-	192
General and administrative	92	-	-	(13)	-	-	-	-	-	79
Research and development	372	-	-	(35)	-	-	-	-	-	337
Amortization of intangibles	16	-	(16)	-	-	-	-	-	-	-
Certain abandoned acquisition-related costs	21	-	-	-	-	-	-	(21)	-	-
Restructuring charges	3	-	-	-	-	(3)	-	-	-	-
Total operating expenses	701	-	(16)	(53)	-	(3)	-	(21)	-	608
Operating loss	(364)	232	20	53	-	3	-	21	-	(35)
Losses on strategic investments	(34)	-	-	-	-	-	34	-	-	-
Interest and other income, net	7	-	-	-	-	-	-	-	-	7
Loss before provision for (benefit from) income taxes	(391)	232	20	53	-	3	34	21	-	(28)
Provision for (benefit from) income taxes	(81)	-	-	-	-	-	-	-	73	(8)
Net loss	\$ (310)	\$ 232	\$ 20	\$ 53	\$ -	\$ 3	\$ 34	\$ 21	\$ (73)	\$ (20)
Loss per share:										
Basic and diluted	\$ (0.97)									\$ (0.06)
Number of shares used in computation:										
Basic and diluted	319									319

Q208 Reconciliation

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

Three Months Ended September 30, 2007

	GAAP Results	Change in Deferred Net Revenue - Packaged Goods and Digital Content	Amortization of Intangibles	Stock-Based Compensation	Acquired In-Process Technology	Restructuring Charges	Losses on Strategic Investments	Certain Abandoned Acquisition-Related Costs	Income Tax Adjustments	Non-GAAP Results
Net revenue	\$ 640	\$ 296	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 936
Cost of goods sold	395	-	(7)	(1)	-	-	-	-	-	387
Gross profit	245	296	7	1	-	-	-	-	-	549
Operating expenses:										
Marketing and sales	164	-	-	(5)	-	-	-	-	-	159
General and administrative	84	-	-	(10)	-	-	-	-	-	74
Research and development	259	-	-	(22)	-	-	-	-	-	237
Amortization of intangibles	7	-	(7)	-	-	-	-	-	-	-
Restructuring charges	5	-	-	-	-	(5)	-	-	-	-
Total operating expenses	519	-	(7)	(37)	-	(5)	-	-	-	470
Operating income (loss)	(274)	296	14	38	-	5	-	-	-	79
Interest and other income, net	32	-	-	-	-	-	-	-	-	32
income taxes	(242)	296	14	38	-	5	-	-	-	111
Provision for (benefit from) income taxes	(47)	-	-	-	-	-	-	71	-	24
Net income (loss)	\$ (195)	\$ 296	\$ 14	\$ 38	\$ -	\$ 5	\$ -	\$ -	\$ (71)	\$ 87
Earnings (loss) per share:										
Basic and diluted	\$ (0.62)									\$ 0.27
Number of shares used in computation:										
Basic and diluted	313									320

FY09 YTD Reconciliation

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

Six Months Ended September 30, 2008

	GAAP Results	Change in Deferred Net Revenue - Packaged Goods and Digital Content	Amortization of Intangibles	Stock-Based Compensation	Acquired In-Process Technology	Restructuring Charges	Losses on Strategic Investments	Certain Abandoned Acquisition-Related Costs	Income Tax Adjustments	Non-GAAP Results
Net revenue	\$ 1,698	\$ 37	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,735
Cost of goods sold	853	-	(7)	(1)	-	-	-	-	-	845
Gross profit	845	37	7	1	-	-	-	-	-	890
Operating expenses:										
Marketing and sales	325	-	-	(10)	-	-	-	-	-	315
General and administrative	176	-	-	(23)	-	-	-	-	-	153
Research and development	729	-	-	(69)	-	-	-	-	-	660
Amortization of intangibles	30	-	(30)	-	-	-	-	-	-	-
Acquired in-process technology	2	-	-	-	(2)	-	-	-	-	-
Certain abandoned acquisition-related costs	21	-	-	-	-	-	-	(21)	-	-
Restructuring charges	23	-	-	-	-	(23)	-	-	-	-
Total operating expenses	1,306	-	(30)	(102)	(2)	(23)	-	(21)	-	1,128
Operating loss	(461)	37	37	103	2	23	-	21	-	(238)
Losses on strategic investments	(40)	-	-	-	-	-	40	-	-	-
Interest and other income, net	23	-	-	-	-	-	-	-	-	23
Loss before provision for (benefit from) income taxes	(478)	37	37	103	2	23	40	21	-	(215)
Provision for (benefit from) income taxes	(73)	-	-	-	-	-	-	-	13	(60)
Net loss	\$ (405)	\$ 37	\$ 37	\$ 103	\$ 2	\$ 23	\$ 40	\$ 21	\$ (13)	\$ (155)
Loss per share:										
Basic and diluted	\$ (1.27)									\$ (0.49)
Number of shares used in computation:										
Basic and diluted	319									319

FY08 YTD Reconciliation

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

	Six Months Ended September 30, 2007									
	GAAP Results	Change in Deferred Net Revenue - Packaged Goods and Digital Content	Amortization of Intangibles	Stock-Based Compensation	Acquired In- Process Technology	Restructuring Charges	Losses on Strategic Investments	Certain Abandoned Acquisition- Related Costs	Income Tax Adjustments	Non-GAAP Results
Net revenue	\$ 1,035	\$ 332	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,367
Cost of goods sold	561	-	(14)	(1)	-	-	-	-	-	546
Gross profit	474	332	14	1	-	-	-	-	-	821
Operating expenses:										
Marketing and sales	246	-	-	(9)	-	-	-	-	-	237
General and administrative	155	-	-	(18)	-	-	-	-	-	137
Research and development	508	-	-	(39)	-	-	-	-	-	469
Amortization of intangibles	14	-	(14)	-	-	-	-	-	-	-
Restructuring charges	7	-	-	-	-	(7)	-	-	-	-
Total operating expenses	930	-	(14)	(66)	-	(7)	-	-	-	843
Operating loss	(456)	332	28	67	-	7	-	-	-	(22)
Interest and other income, net	58	-	-	-	-	-	-	-	-	58
Income (loss) before provision for (benefit from) income tax	(398)	332	28	67	-	7	-	-	-	36
Provision for (benefit from) income taxes	(70)	-	-	-	-	-	-	88	-	18
Net income (loss)	\$ (328)	\$ 332	\$ 28	\$ 67	\$ -	\$ 7	\$ -	\$ -	\$ (88)	\$ 18
Earnings (loss) per share:										
Basic and diluted	\$ (1.05)									\$ 0.06
Number of shares used in computation:										
Basic and diluted	312									319

Trailing Twelve Month Segment Shares

North America and Europe

Current & Next Generation Hardware / PC

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

* 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

FY09 Guidance Summary

(\$ in Millions, except per share data)

	GAAP	Non-GAAP
Net Revenue		
FY09	\$4.9 to \$5.15 BN	\$5.0 to \$5.3 BN
Gross Margin - %		
FY09	54% to 55%	55.5% to 56.5%
Q309	Not provided	Mid 50%
Q409	Not provided	Low 60%
Research & Development		
FY09 - Y/Y Growth %	Not provided	~ 25% to 27%
General & Administrative		
FY09 - % of Revenue	Not provided	Down 1 - 1.5 Points as % of Revenue
Sales & Marketing		
FY09 - % of Revenue	Not provided	Flat to last year
Bonus Phasing		
Q3 & Q4 Bonus Impact	\$35 to \$40M	\$35 to \$40M
Operating Margins		
FY09	Not provided	8.5% to 11.25%
Other Income & Expense		
FY09	Not provided	~ \$35M
Income Tax Expense / Rate		
FY09	\$35 to \$70 M	28%
Quarters	Not provided	28%
Diluted EPS		
FY09	(\$0.21) to \$0.07	\$1.00 to \$1.40
Share Count (MM)		
FY09	325 (diluted)	325 (diluted)

Q309 Slate

	Xbox 360	PS3	Wii	PS2	NDS	PSP	PC	Total
Dead Space	X	X					X	3
FIFA 09	X	X	X	X	X	X	X	7
NBA Live 09	X	X	X	X		X		5
Littlest Pet Shop			X		X		X	3
Command and Conquer Red Alert	X						X	2
Boogie Superstar			X					1
Brain Training for Dummies							X	1
Celebrity Sports Showdown			X					1
Face Breaker			X					1
Hasbro Family Game Night			X	X				2
Mirror's Edge	X	X						2
Monopoly	X	X	X	X				4
My Sims							X	1
My Sims Kingdom			X		X			2
NCAA Basketball 09	X	X		X				3
Need for Speed Undercover	X	X	X	X	X	X	X	7
Nerf-n-Strike			X					1
NHL 09				X			X	2
Poker for Dummies							X	1
Skate It			X		X			2
Sims 2 Mansion and Garden Stuff							X	1
SPORE Creepy and Cute Parts Pack							X	1
Total Club Manager 09							X	1
Travel Games for Dummies					X			1
ZUBO					X			1
Total EA SKUs	8	7	12	7	7	3	12	56

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
- Losses on strategic investments
- Change in deferred net revenue (packaged goods and digital content)
- Certain abandoned acquisition-related costs

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 October 30, 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; the Company's ability to successfully implement its cost reduction plans; the general health of the U.S. and global economy and the related impact on discretionary consumer spending; 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 the PlayStation 2; the Company's ability to predict consumer preferences among competing hardware platforms; the financial impact of potential future acquisitions by EA; the Company's ability to realize the anticipated benefits of acquisitions; consumer spending trends; the seasonal and cyclical nature of the interactive game segment; the Company's ability to manage expenses during fiscal year 2009 and beyond; the Company's ability to attract and retain key personnel; changes in the Company's effective tax rates; the performance of strategic investments; adoption of new accounting regulations and standards; potential regulation of the Company's products in key territories; developments in the law regarding protection of the Company's products; fluctuations in foreign exchange rates; the Company's ability to secure licenses to valuable entertainment properties on favorable terms; and other factors described in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008. These forward-looking statements speak only as of October 30, 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 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 September 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 September 30, 2008.