



# Electronic Arts Inc. Q3 FY 2013 Results

January 30, 2013

# 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 2013 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, 2012.
- These forward-looking statements are valid as of January 30, 2013 only.
- 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 December 31, 2012. 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, 2012.

# EA Strategic Objective



## MISSION:

Become the leading pure-play digital entertainment company

## KEY THREE STRATEGIC PILLARS:

### BRANDS:

Develop the strongest collection of brands in the industry

### PLATFORM:

Create the infrastructure to take our brands digital and direct to consumer

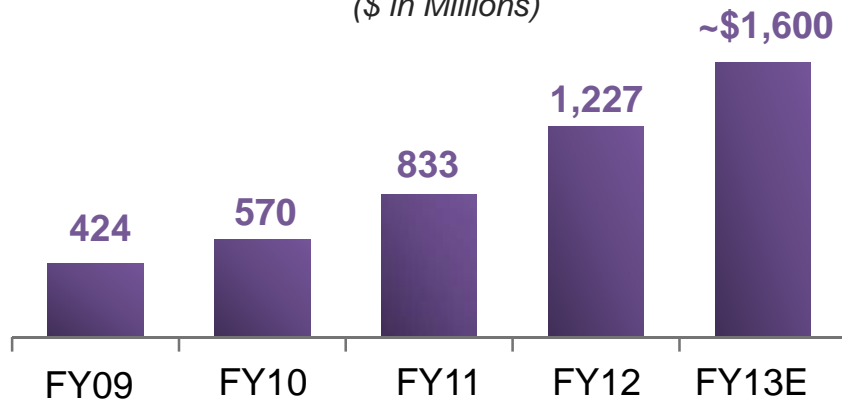
### TALENT:

Hire and retain talent that can lead on the quant side of digital and create great entertainment

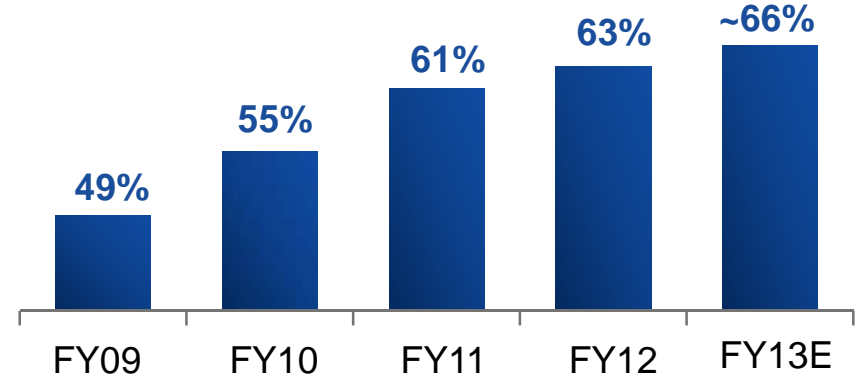
# EA Growth Trends



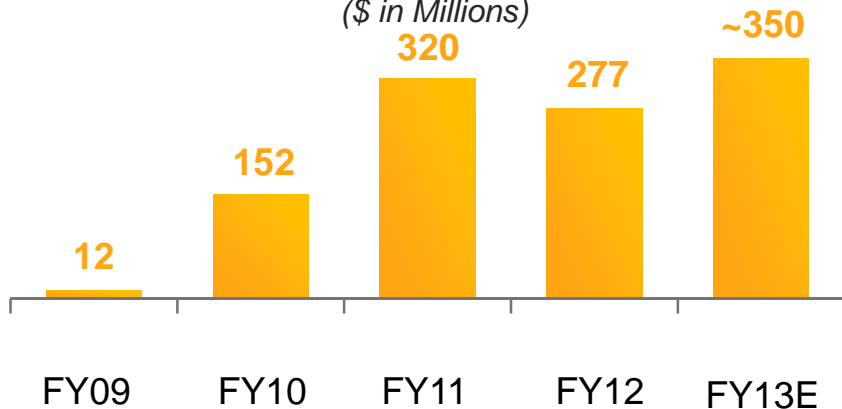
**Digital Revenue <sup>1</sup>**  
(\$ in Millions)



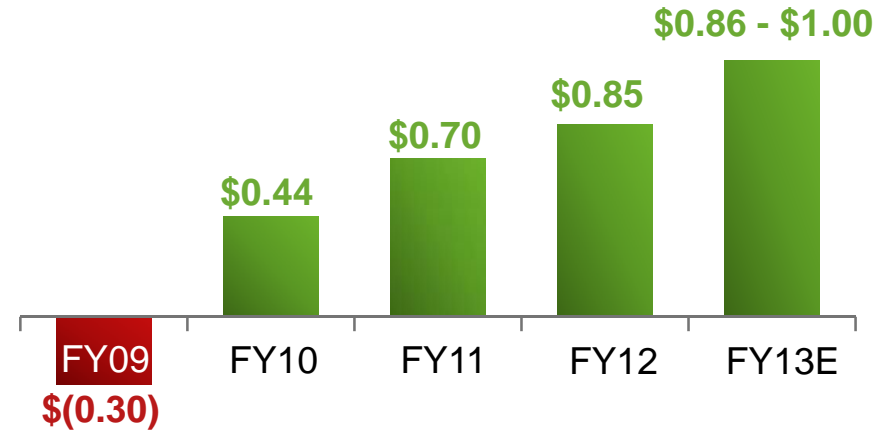
**Gross Profit <sup>1</sup>**



**Operating Cash Flow**  
(\$ in Millions)



**EPS <sup>1</sup>**



<sup>1</sup> On a non-GAAP basis.  
FY13E based on guidance as of January 30, 2013

# Q3 FY13 Update<sup>1</sup>



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Digital Revenue: \$407M in Q3 and approximately \$1.5B on a TTM basis

Frontline: *Need For Speed* outperformed last year's title, despite softness in the packaged goods market. *Medal of Honor* performed well below our expectations.

Catalog: FIFA and Madden had solid performances, both showed growth

Gross Margin: 66% for the quarter, up almost 2% over guidance, driven by a mix shift towards digital

Op Expense: ~\$70M lower than guidance, based on concentrated efforts to reduce spend and lower variable compensation

Diluted EPS: \$0.57, within our guidance of \$0.50 - \$0.60

BF3 Premium: \$28 million of sales was generated in the quarter, but will be deferred to Q4

Buyback: Purchased 12.2 million shares for \$157 million

<sup>1</sup> On a non-GAAP basis.

# Q3 FY13 Guidance vs. Actuals

Ending December 31, 2012



	GAAP		Non-GAAP	
	Guidance	Actuals	Guidance	Actuals
Net Revenue	\$900 - \$1,000	\$922	\$1,250 - \$1,350	\$1,182
Gross Profit Margin	~50%	53.5%	~64%	65.7%
Operating Expense	< \$655	\$532	< \$600	\$529
Tax Expense	~\$15	\$12	\$61-73	\$68
Net Income (Loss)	(\$223) – (\$178)	(\$45)	\$156 – \$189	\$176
Diluted Earnings/(Loss) Per Share	(\$0.71) – (\$0.57)	(\$0.15)	\$0.50 – \$0.60	\$0.57
Diluted Shares (millions)	312 (Basic)	304 (Basic)	315	308

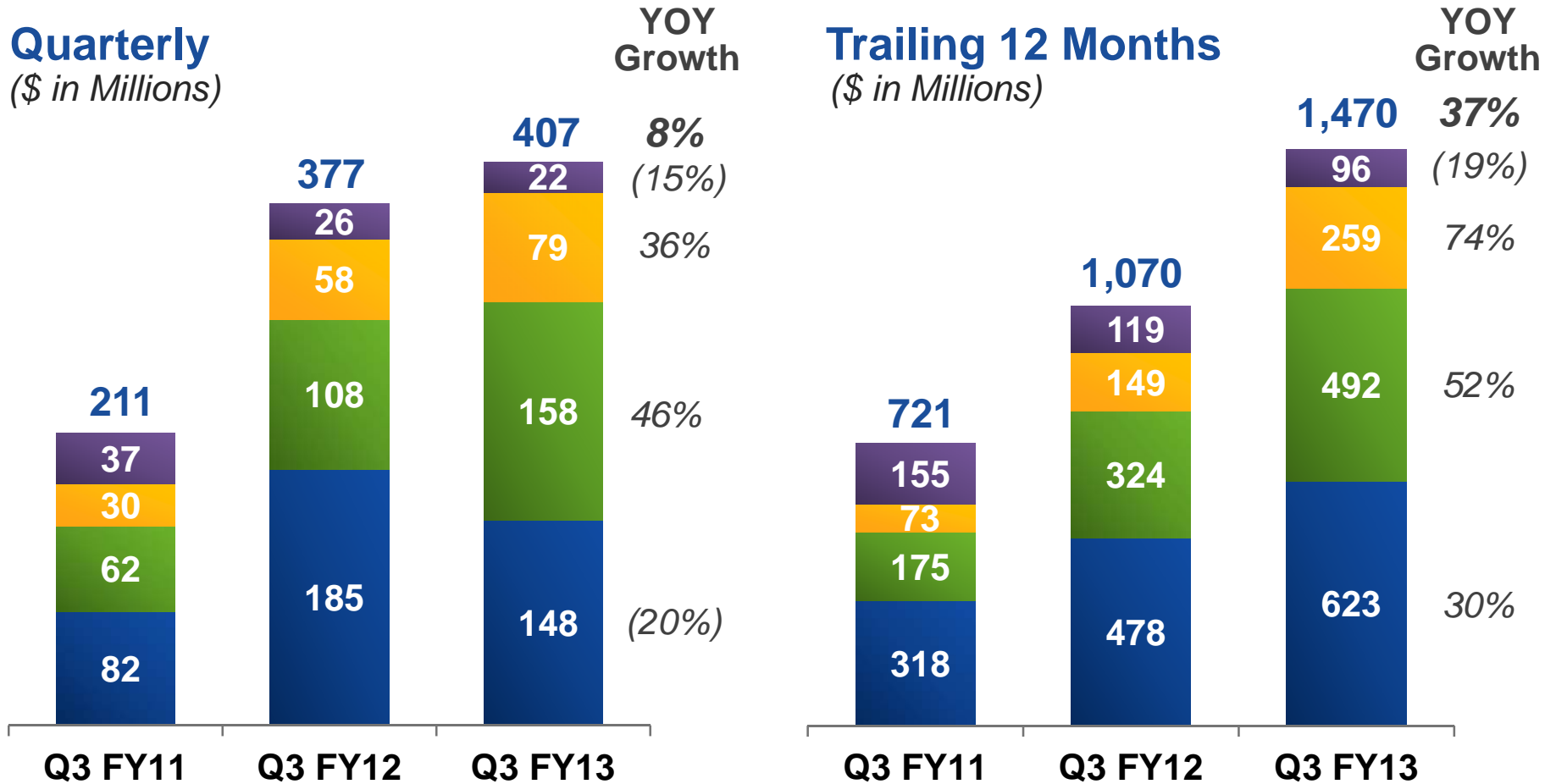
All dollars in millions, except Diluted Earnings (Loss) Per Share.

# Q3 FY13 Financial Summary



	GAAP		Non-GAAP	
	Q3 FY12	Q3 FY13	Q3 FY12	Q3 FY13
Net Revenue (\$, millions)	1,061	922	1,651	1,182
Gross Profit Margin	48.0%	53.5%	67.4%	65.7%
Operating Expense (\$, millions)	692	532	644	529
Operating Income (Loss) (\$, millions)	(183)	(39)	469	247
Operating Margin	(17.2%)	(4.2%)	28.4%	20.9%
Diluted EPS (LPS)	(\$0.62)	(\$0.15)	\$0.99	\$0.57
Operating Cash Flow (\$, millions)	475	363		
EBITDA (\$, millions)	(87)	60	492	277

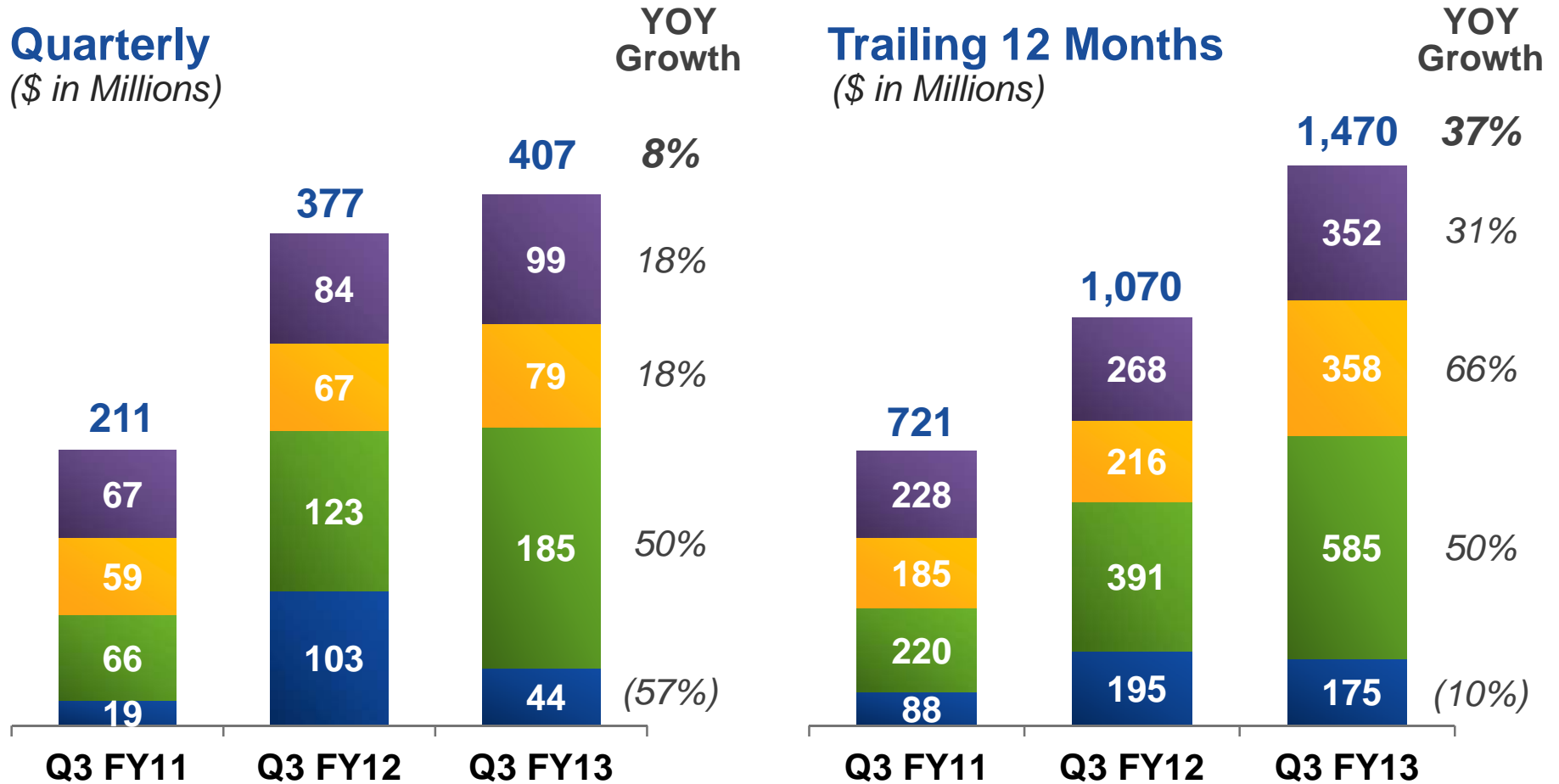
# EA Digital Revenue<sup>1</sup> by Platform



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



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

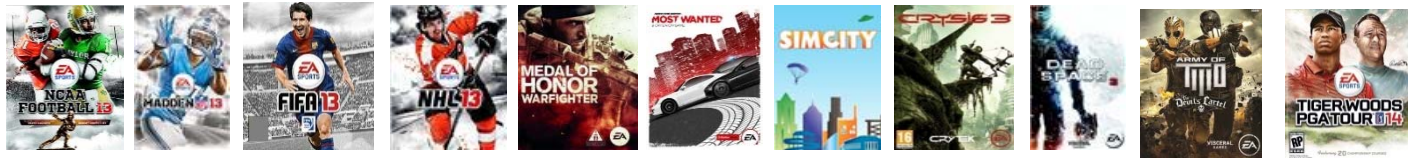


<sup>1</sup> In millions, on a non-GAAP basis.

# FY 13 Titles and Services



## > HD Console/PC



## > Subscription



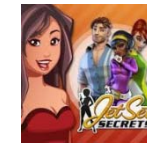
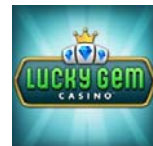
## > Play 4 Free Client/Browser



## > Mobile/Tablet



## > Social



# Guidance – Q4 FY13

Ending March 31, 2013



	<b>GAAP</b>	<b>Non-GAAP</b>
Net Revenue	\$1,115 – \$1,215	\$1,025 – \$1,125
Gross Profit Margin	~75%	~74%
Operating Expense	< \$575	< \$525
Tax Expense	~\$6	\$68 – \$85
Net Income (Loss)	\$281 – \$343	\$174 – \$219
Earnings/(Loss) Per Share	\$0.92 – \$1.12	\$0.57 – \$0.72
Diluted Shares (millions)	305	305

All dollars in millions, except Earnings Per Share.

These forward-looking statements are valid as of January 30, 2013 only.

Electronic Arts assumes no obligation and does not intend to update these forward-looking statements.

# Guidance – Full Year FY13

Ending March 31, 2013



	GAAP	Non-GAAP
Revenue		
Publishing and Other Revenue	\$2,028 – \$2,128	\$2,078 – \$2,178
Digital Revenue	~\$1,575	~\$1,600
Distribution Revenue	~\$100	~\$100
Total Revenue	\$3,703 – \$3,803	\$3,778 – \$3,878
Gross Profit Margin	~63%	~66%
Operating Expense	< \$2,272	< \$2,118
Tax Expense	~\$40	\$105 – \$122
Net Income / (Loss)	\$56 – \$118	\$269 – \$314
Earnings Per Share/ (Loss Per Share)	\$0.18 – \$0.38	\$0.86 – \$1.00
Diluted Shares (millions)	313	313
Operating Cash Flow	~\$350	

All dollars in millions, except Earnings Per Share.

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# Guidance - Phasing

## FY 13 Title Release Plan and Quarterly Revenue<sup>1</sup>



Non-GAAP Net Revenue	Q1A	Q2A	Q3A	Q4E
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Non-GAAP	13%	28%	31%	28%
GAAP	25%	19%	25%	31%

### Titles to be released:

Console, PC	0	5	3	5
Social, Mobile, Free-to-Play	7	5	7	7

<sup>1</sup> These forward-looking statements are valid as of January 30, 2013 only. Electronic Arts assumes no obligation and does not intend to update these forward-looking statements. The difference in GAAP and non-GAAP quarterly phasing is due to the change in deferred revenue (packaged goods and digital content).

# FY13 Announced Titles



<b>Q1</b>					
<b>Q2</b>	Games	The Secret World <sup>(1)</sup>			PC
	Sports	FIFA 13	Console	Handheld/Mobile	PC
		Madden NFL 13	Console	Handheld	
		NCAA Football 13	Console		
		NHL 13	Console		
<b>Q3</b>	Games	Need for Speed: Most Wanted	Console	Handheld/Mobile	PC
		Medal of Honor Warfighter	Console		PC
	Sports	FIFA Manager 13			PC
<b>Q4</b>	Games	Army of Two: Devil's Cartel	Console		
		Dead Space 3	Console		PC
		Crysis 3 <sup>(1)</sup>	Console		PC
	Sports	Tiger Woods PGA TOUR 14	Console		
	Maxis	SimCity			PC

<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:
  - \$1.32 USD/Euro
    - Revenue and EPS decreases if the Euro weakens v. USD
  - \$1.01 USD/Canadian Dollar
    - R&D costs increase if the Canadian Dollar strengthens v. USD
  - \$1.62 USD/British Pound Sterling
    - Revenue and EPS decreases if the British Pound Sterling weakens v. USD
- Using spot exchange rates as of January 29, 2013:
  - Negligible impact to FY13 non-GAAP EPS
  - Neutral impact for remainder of FY13 non-GAAP Net Revenue

<sup>1</sup> These forward-looking statements are valid as of January 30, 2013 only. Electronic Arts assumes no obligation and does not intend 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 (packaged goods and digital content)
  - Loss (gain) on strategic investments
  - Restructuring charges
  - Stock-based compensation
  - Income tax adjustments

The Company uses 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 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 30, 2013, Electronic Arts has provided a reconciliation of the most comparable GAAP financial measure to the historical non-GAAP measures.

# 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 (packaged goods and digital content)	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	214	23.2%	-	-	-	-	-	(7)	-	207	17.5%
General and administrative	68	7.4%	-	-	-	-	-	(7)	-	61	5.2%
Research and development	286	31.0%	-	-	-	-	-	(25)	-	261	22.1%
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

# Q3 FY12 Reconciliation



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

Three Months Ended December 31, 2011

	GAAP Results	% of Revenue	Acquisition- related expenses	Amortization of debt discount	Change in Deferred Net Revenue (Packaged Goods and Digital Content)	Stock-Based Compensation	Income Tax Adjustments	Non-GAAP Results	% of Revenue
<b>Net revenue</b>	<b>\$ 1,061</b>		\$ -	\$ -	\$ 590	\$ -	\$ -	<b>\$ 1,651</b>	
Cost of revenue	552	52.0%	(14)	-	-	-	-	538	32.6%
<b>Gross profit</b>	<b>509</b>	<b>48.0%</b>	<b>14</b>	<b>-</b>	<b>590</b>	<b>-</b>	<b>-</b>	<b>1,113</b>	<b>67.4%</b>
Operating expenses:									
Marketing and sales	269	25.4%	-	-	-	(7)	-	262	15.9%
General and administrative	98	9.2%	-	-	-	(11)	-	87	5.3%
Research and development	325	30.6%	-	-	-	(30)	-	295	17.8%
Acquisition-related contingent consideration	(11)	-1.0%	11	-	-	-	-	-	-
Amortization of intangibles	11	1.0%	(11)	-	-	-	-	-	-
Total operating expenses	692	65.2%	-	-	-	(48)	-	644	39.0%
<b>Operating income (loss)</b>	<b>(183)</b>	<b>-17.2%</b>	<b>14</b>	<b>-</b>	<b>590</b>	<b>48</b>	<b>-</b>	<b>469</b>	<b>28.4%</b>
Interest and other income (expense), net	(10)	-1.0%	-	5	-	-	-	(5)	-0.3%
Income (loss) before provision for income taxes	(193)	-18.2%	14	5	590	48	-	464	28.1%
Provision for income taxes	12	1.1%	-	-	-	-	118	130	7.9%
<b>Net income (loss)</b>	<b>\$ (205)</b>	<b>-19.3%</b>	<b>\$ 14</b>	<b>\$ 5</b>	<b>\$ 590</b>	<b>\$ 48</b>	<b>\$ (118)</b>	<b>\$ 334</b>	<b>20.2%</b>
<b>Losses per share</b>						<b>Earnings per share</b>			
Basic and diluted	\$ (0.62)					Basic	\$ 1.01		
						Diluted	\$ 0.99		
Number of shares used in computation						Number of shares used in computation			
Basic and diluted	332					Basic	332		
						Diluted	338		

# 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 (Packaged Goods and Digital Content)	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>-</b>	<b>-</b>	<b>(226)</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2,358</b>	<b>63.2%</b>
Operating expenses:												
Marketing and sales	793	20.0%	-	-	-	-	-	(30)	-	-	763	20.4%
General and administrative	368	9.3%	-	-	(27)	-	-	(32)	-	-	309	8.3%
Research and development	1,174	29.7%	-	-	-	-	-	(99)	-	-	1,075	28.8%
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)	-	-	(161)	-	-	2,147	57.5%
<b>Operating income</b>	<b>177</b>	<b>4.5%</b>	<b>44</b>	<b>-</b>	<b>27</b>	<b>(226)</b>	<b>-</b>	<b>26</b>	<b>163</b>	<b>-</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>

# TTM Q3 FY12 Reconciliation



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

Trailing Twelve Months Ended December 31, 2011

	GAAP Results	% of Revenue	Acquisition- related expenses	Amortization of debt discount	Change in Deferred Net Revenue (Packaged Goods and Digital Content)	Restructuring and other	Stock-Based Compensation	Income Tax Adjustments	Non-GAAP Results	% of Revenue
<b>Net revenue</b>	<b>\$ 3,865</b>		\$ -	\$ -	\$ 339	\$ -	\$ -	\$ -	<b>\$ 4,204</b>	
Cost of revenue	1,552	40.2%	(28)	-	-	-	(1)	-	1,523	36.2%
<b>Gross profit</b>	<b>2,313</b>	<b>59.8%</b>	<b>28</b>	<b>-</b>	<b>339</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>2,681</b>	<b>63.8%</b>
Operating expenses:										
Marketing and sales	825	21.3%	-	-	-	-	(23)	-	802	19.1%
General and administrative	335	8.7%	-	-	-	-	(37)	-	298	7.1%
Research and development	1,256	32.5%	-	-	-	-	(106)	-	1,150	27.3%
Acquisition-related contingent consideration	16	0.4%	(16)	-	-	-	-	-	-	-
Amortization of intangibles	50	1.3%	(50)	-	-	-	-	-	-	-
Restructuring and other	16	0.4%	-	-	-	(16)	-	-	-	-
Total operating expenses	2,498	64.6%	(66)	-	-	(16)	(166)	-	2,250	53.5%
<b>Operating income (loss)</b>	<b>(185)</b>	<b>-4.8%</b>	<b>94</b>	<b>-</b>	<b>339</b>	<b>16</b>	<b>167</b>	<b>-</b>	<b>431</b>	<b>10.3%</b>
Interest and other income (expense), net	(9)	-0.2%	-	9	-	-	-	-	-	-
Income (loss) before provision for (benefit from) income taxes	(194)	-5.0%	94	9	339	16	167	-	431	10.3%
Provision for (benefit from) income taxes	(21)	-0.5%	-	-	-	-	-	141	120	2.9%
<b>Net income (loss)</b>	<b>\$ (173)</b>	<b>-4.5%</b>	<b>\$ 94</b>	<b>\$ 9</b>	<b>\$ 339</b>	<b>\$ 16</b>	<b>\$ 167</b>	<b>\$ (141)</b>	<b>\$ 311</b>	<b>7.4%</b>

# Q4 FY13 Guidance Reconciliation



The following table provides a reconciliation of the non-GAAP financial measures regarding Electronic Arts' Q3 FY13 guidance to the nearest comparable GAAP financial measures. These are preliminary estimates and expectations based on current information as of January 30, 2013 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>Gain on Strategic Investments</u>	<u>Restructuring</u>	<u>Stock-Based Compensation</u>	<u>Tax Adjustments</u>	<u>Non-GAAP Guidance</u>
<b>Low end of Q4 guidance range</b>									
<i>Approximate Net Revenue</i>	1,115			(90)					1,025
<i>Approximate Gross Margin %</i>	75%	1%		(2%)					74%
<i>Approximate Operating Expense</i>	565	(5)				(5)	(40)		515
<i>Approximate Tax Expense (Benefit)</i>	6							62	68
<b>Net Income (Loss)</b>	<b>281</b>	<b>20</b>	<b>5</b>	<b>(90)</b>	<b>(25)</b>	<b>5</b>	<b>40</b>	<b>(62)</b>	<b>174</b>
<b>Earnings (Loss) Per Share</b>	<b>\$ 0.92</b>								<b>\$ 0.57</b>
Diluted shares (Basic for Loss)	305								305
<b>High end of Q4 guidance range</b>									
<i>Approximate Net Revenue</i>	1,215			(90)					1,125
<i>Approximate Gross Margin %</i>	75%	1%		(2%)					74%
<i>Approximate Operating Expense</i>	575	(5)				(5)	(40)		525
<i>Approximate Tax Expense (Benefit)</i>	6							79	85
<b>Net Income (Loss)</b>	<b>343</b>	<b>20</b>	<b>5</b>	<b>(90)</b>	<b>(25)</b>	<b>5</b>	<b>40</b>	<b>(79)</b>	<b>219</b>
<b>Earnings (Loss) Per Share</b>	<b>\$ 1.12</b>								<b>\$ 0.72</b>
Diluted shares (Basic for Loss)	305								305

# FY13 Guidance Reconciliation



The following table provides a reconciliation of the non-GAAP financial measures regarding Electronic Arts' FY13 guidance to the nearest comparable GAAP financial measures. These are preliminary estimates and expectations based on current information as of January 30, 2013 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>Gain on Strategic Investments</u>	<u>Restructuring</u>	<u>Stock-Based Compensation</u>	<u>Tax Adjustments</u>	<u>Non-GAAP Guidance</u>
<b>Low end of FY13 guidance range</b>									
<i>Approximate Net Revenue</i>	3,703			75					3,778
<i>Approximate Gross Margin %</i>	63%	2%		1%					66%
<i>Approximate Operating Expense</i>	2,262	39				(32)	(161)		2,108
<i>Approximate Tax Expense (Benefit)</i>	40							65	105
<b>Net Income (Loss)</b>	<b>56</b>	<b>28</b>	<b>20</b>	<b>75</b>	<b>(39)</b>	<b>32</b>	<b>162</b>	<b>(65)</b>	<b>269</b>
<b>Earnings (Loss) Per Share</b>	<b>\$ 0.18</b>								<b>\$ 0.86</b>
Diluted shares (Basic for Loss)	313								313
<b>High end of FY13 guidance range</b>									
<i>Approximate Net Revenue</i>	3,803			75					3,878
<i>Approximate Gross Margin %</i>	63%	2%		1%					66%
<i>Approximate Operating Expense</i>	2,272	39				(32)	(161)		2,118
<i>Approximate Tax Expense (Benefit)</i>	40							82	122
<b>Net Income (Loss)</b>	<b>118</b>	<b>28</b>	<b>20</b>	<b>75</b>	<b>(39)</b>	<b>32</b>	<b>162</b>	<b>(82)</b>	<b>314</b>
<b>Earnings (Loss) Per Share</b>	<b>\$ 0.38</b>								<b>\$ 1.00</b>
Diluted shares (Basic for Loss)	313								313

# 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 (Packaged Goods and Digital Content)	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>



# Q3 FY12 EBITDA Reconciliation



The following table provides a reconciliation of the non-GAAP financial measures regarding Electronic Arts' EBITDA to the nearest comparable GAAP financial measures.

	Three Months Ended December 31, 2011				
	GAAP Results	Acquisition-related expenses	Change in Deferred Net Revenue (Packaged Goods and Digital Content)	Stock-Based compensation	Non-GAAP Results
Operating income (loss)	\$ (183)	\$ 14	\$ 590	\$ 48	\$ 469
Adjustments:					
Stock-based compensation	48	-	-	(48)	-
Depreciation	23	-	-	-	23
Amortization of acquisition-related intangibles	25	(25)	-	-	-
Total adjustments	96	(25)	-	(48)	23
<b>EBITDA</b>	<b>\$ (87)</b>	<b>\$ (11)</b>	<b>\$ 590</b>	<b>\$ -</b>	<b>\$ 492</b>