



**Supplemental Information  
Fourth Quarter Fiscal 2010  
March 31, 2010**

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Posted May 11, 2010

# Supplemental Information

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# **GAAP to Non-GAAP Results**

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**(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: acquired in-process technology, acquisition-related contingent consideration, amortization of intangibles, certain abandoned acquisition-related costs, the impact of the change in deferred net revenue (packaged goods and digital content), goodwill impairment, loss on lease obligation (G&A), loss on licensed intellectual property commitment (COGS), losses on strategic investments, restructuring charges, stock-based compensation, and 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.

# Q4 FY10 Reconciliation

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

(in millions, except per share data)

Three Months Ended March 31, 2010

	GAAP Results	Acquisition-related contingent consideration	Amortization of Intangibles	Change in Deferred Net Revenue (Packaged Goods and Digital Content)	Losses on Strategic Investments	Loss on Licensed Intellectual Property Commitment (COGS)	Restructuring Charges	Stock-Based Compensation	Income Tax Adjustments	Non-GAAP Results
<b>Net revenue</b>	<b>\$ 979</b>	\$ -	\$ -	\$ (129)	\$ -	\$ -	\$ -	\$ -	\$ -	<b>\$ 850</b>
Cost of goods sold	298	-	(2)	-	-	1	-	(1)	-	296
<b>Gross profit</b>	<b>681</b>	-	2	(129)	-	(1)	-	1	-	<b>554</b>
Operating expenses:										
Marketing and sales	171	-	-	-	-	-	-	(4)	-	167
General and administrative	79	-	-	-	-	-	-	(9)	-	70
Research and development	311	-	-	-	-	-	-	(28)	-	283
Acquisition-related contingent consideration	2	(2)	-	-	-	-	-	-	-	-
Amortization of intangibles	15	-	(15)	-	-	-	-	-	-	-
Restructuring charges	20	-	-	-	-	-	(20)	-	-	-
Total operating expenses	598	(2)	(15)	-	-	-	(20)	(41)	-	520
<b>Operating income</b>	<b>83</b>	<b>2</b>	<b>17</b>	<b>(129)</b>	<b>-</b>	<b>(1)</b>	<b>20</b>	<b>42</b>	<b>-</b>	<b>34</b>
Loss on strategic investments	(1)	-	-	-	1	-	-	-	-	-
Interest and other income (expense), net	(2)	-	-	-	-	-	-	-	-	(2)
Income before provision for income taxes	80	2	17	(129)	1	(1)	20	42	-	32
Provision for income taxes	50	-	-	-	-	-	-	-	(41)	9
<b>Net income</b>	<b>\$ 30</b>	<b>\$ 2</b>	<b>\$ 17</b>	<b>\$ (129)</b>	<b>\$ 1</b>	<b>\$ (1)</b>	<b>\$ 20</b>	<b>\$ 42</b>	<b>\$ 41</b>	<b>\$ 23</b>
<b>Earnings per share</b>										
Basic	\$ 0.09									\$ 0.07
Diluted	\$ 0.09									\$ 0.07
Number of shares used in computation										
Basic	327									327
Diluted	330									330

# Q4 FY09 Reconciliation

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

Three Months Ended March 31, 2009

	GAAP Results	Amortization of Intangibles	Change in Deferred Net Revenue (Packaged Goods and Digital Content)	Loss on Licensed Intellectual Property Commitment (COGS)	Losses (gains) on Strategic Investments	Restructuring Charges	Stock-Based Compensation	Income Tax Adjustments	Non-GAAP Results
<b>Net revenue</b>	<b>\$ 860</b>	<b>\$ -</b>	<b>\$ (251)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 609</b>
Cost of goods sold	349	(3)	-	(38)	-	-	(1)	-	307
<b>Gross profit</b>	<b>511</b>	<b>3</b>	<b>(251)</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>302</b>
Operating expenses:									
Marketing and sales	116	-	-	-	-	-	(5)	-	111
General and administrative	74	-	-	-	-	-	(13)	-	61
Research and development	332	-	-	-	-	-	(37)	-	295
Amortization of intangibles	12	(12)	-	-	-	-	-	-	-
Restructuring charges	39	-	-	-	-	(39)	-	-	-
Total operating expenses	573	(12)	-	-	-	(39)	(55)	-	467
<b>Operating loss</b>	<b>(62)</b>	<b>15</b>	<b>(251)</b>	<b>38</b>	<b>-</b>	<b>39</b>	<b>56</b>	<b>-</b>	<b>(165)</b>
Gain on strategic investments	5	-	-	-	(5)	-	-	-	-
Interest and other income (expense), net	(2)	-	-	-	-	-	-	-	(2)
Loss before benefit from income taxes	(59)	15	(251)	38	(5)	39	56	-	(167)
Benefit from income taxes	(17)	-	-	-	-	-	-	(30)	(47)
<b>Net loss</b>	<b>\$ (42)</b>	<b>\$ 15</b>	<b>\$ (251)</b>	<b>\$ 38</b>	<b>\$ (5)</b>	<b>\$ 39</b>	<b>\$ 56</b>	<b>\$ 30</b>	<b>\$ (120)</b>
<b>Loss per share</b>									
Basic and diluted	<b>\$ (0.13)</b>								<b>\$ (0.37)</b>
Number of shares used in computation									
Basic and diluted	322								322

# FY10 Reconciliation

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

(in millions, except per share data)

	Twelve Months Ended March 31, 2010										
	GAAP Results	Acquisition-related contingent consideration	Amortization of Intangibles	Change in Deferred Net Revenue (Packaged Goods and Digital Content)	Loss on Lease Obligation (G&A)	Loss on Licensed Intellectual Property Commitment (COGS)	Losses on Strategic Investments	Restructuring Charges	Stock-Based Compensation	Income Tax Adjustments	Non-GAAP Results
Net revenue	\$ 3,654	\$ -	\$ -	\$ 505	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,159
Cost of goods sold	1,866	-	(10)	-	-	3	-	-	(2)	-	1,857
<b>Gross profit</b>	<b>1,788</b>	<b>-</b>	<b>10</b>	<b>505</b>	<b>-</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2,302</b>
Operating expenses:											
Marketing and sales	730	-	-	-	-	-	-	-	(16)	-	714
General and administrative	320	-	-	-	(14)	-	-	-	(33)	-	273
Research and development	1,229	-	-	-	-	-	-	-	(110)	-	1,119
Acquisition-related contingent consideration	2	(2)	-	-	-	-	-	-	-	-	-
Amortization of intangibles	53	-	(53)	-	-	-	-	-	-	-	-
Restructuring charges	140	-	-	-	-	-	-	(140)	-	-	-
Total operating expenses	2,474	(2)	(53)	-	(14)	-	-	(140)	(159)	-	2,106
<b>Operating income (loss)</b>	<b>(686)</b>	<b>2</b>	<b>63</b>	<b>505</b>	<b>14</b>	<b>(3)</b>	<b>-</b>	<b>140</b>	<b>161</b>	<b>-</b>	<b>196</b>
Loss on strategic investments	(26)	-	-	-	-	-	26	-	-	-	-
Interest and other income (expense), net	6	-	-	-	-	-	-	-	-	-	6
Income (loss) before provision for (benefit from) income taxes	(706)	2	63	505	14	(3)	26	140	161	-	202
Provision for (benefit from) income taxes	(29)	-	-	-	-	-	-	-	-	86	57
<b>Net income (loss)</b>	<b>\$ (677)</b>	<b>\$ 2</b>	<b>\$ 63</b>	<b>\$ 505</b>	<b>\$ 14</b>	<b>\$ (3)</b>	<b>\$ 26</b>	<b>\$ 140</b>	<b>\$ 161</b>	<b>\$ (86)</b>	<b>\$ 145</b>
Earnings (loss) per share											
Basic	\$ (2.08)										\$ 0.45
Diluted	\$ (2.08)										\$ 0.44
Number of shares used in computation											
Basic and diluted	325										325
											327

# FY09 Reconciliation

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

(in millions, except per share data)

Twelve Months Ended March 31, 2009

	GAAP Results	Acquired In-Process Technology	Amortization of Intangibles	Certain Abandoned Acquisition-Related Costs	Change in Deferred Net Revenue (Packaged Goods and Digital Content)	Goodwill Impairment	Loss on Licensed Intellectual Property Commitment (COGS)	Losses on Strategic Investments	Restructuring Charges	Stock-Based Compensation	Income Tax Adjustments	Non-GAAP Results
<b>Net revenue</b>	\$ 4,212	\$ -	\$ -	\$ -	\$ (126)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,086
Cost of goods sold	2,127	-	(14)	-	-	-	(38)	-	-	(2)	-	2,073
<b>Gross profit</b>	<b>2,085</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>(126)</b>	<b>-</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>2,013</b>
Operating expenses:												
Marketing and sales	691	-	-	-	-	-	-	-	-	(20)	-	671
General and administrative	332	-	-	-	-	-	-	-	-	(47)	-	285
Research and development	1,359	-	-	-	-	-	-	-	-	(134)	-	1,225
Acquired in-process technology	3	(3)	-	-	-	-	-	-	-	-	-	-
Amortization of intangibles	58	-	(58)	-	-	-	-	-	-	-	-	-
Certain abandoned acquisition-related costs	21	-	-	(21)	-	-	-	-	-	-	-	-
Goodwill impairment	368	-	-	-	-	(368)	-	-	-	-	-	-
Restructuring charges	80	-	-	-	-	-	-	(80)	-	-	-	-
Total operating expenses	2,912	(3)	(58)	(21)	-	(368)	-	(80)	(80)	(201)	-	2,181
<b>Operating loss</b>	<b>(827)</b>	<b>3</b>	<b>72</b>	<b>21</b>	<b>(126)</b>	<b>368</b>	<b>38</b>	<b>-</b>	<b>80</b>	<b>203</b>	<b>-</b>	<b>(168)</b>
Loss on strategic investments	(62)	-	-	-	-	-	-	62	-	-	-	-
Interest and other income (expense), net	34	-	-	-	-	-	-	-	-	-	-	34
Loss before provision for (benefit from) income taxes	(855)	3	72	21	(126)	368	38	62	80	203	-	(134)
Provision for (benefit from) income taxes	233	-	-	-	-	-	-	-	-	-	(271)	(38)
<b>Net loss</b>	<b>\$ (1,088)</b>	<b>\$ 3</b>	<b>\$ 72</b>	<b>\$ 21</b>	<b>\$ (126)</b>	<b>\$ 368</b>	<b>\$ 38</b>	<b>\$ 62</b>	<b>\$ 80</b>	<b>\$ 203</b>	<b>\$ 271</b>	<b>\$ (96)</b>
<b>Loss per share</b>												
Basic	\$ (3.40)											\$ (0.30)
Diluted	\$ (3.40)											\$ (0.30)
Number of shares used in computation												
Basic and diluted	320											320

# Trailing Twelve Month Segment Shares

## North America and Europe

	FY09	FY10			
	Q4	Q1	Q2	Q3	Q4
<b>North America <sup>(1)</sup></b>					
Xbox 360™	27%	27%	26%	26%	29%
PlayStation®3	24	25	25	24	25
PlayStation®2	25	25	23	20	20
Wii™	14	15	16	14	14
NDS™	6	7	7	6	6
PSP™	21	22	21	19	19
PC	28	32	28	33	35
<b>Total North America</b>	<b>19%</b>	<b>20%</b>	<b>20%</b>	<b>19%</b>	<b>20%</b>
<b>Europe <sup>(2)</sup></b>					
Xbox 360™	19%	21%	20%	21%	22%
PlayStation®3	17	19	20	20	20
PlayStation®2	20	20	20	20	21
Wii™	7	8	10	10	10
NDS™	6	6	7	5	5
PSP™	23	23	24	20	18
PC	28	32	31	33	35
<b>Total Europe</b>	<b>15%</b>	<b>16%</b>	<b>17%</b>	<b>17%</b>	<b>18%</b>
<b>Total NA + EU</b>	<b>17%</b>	<b>18%</b>	<b>18%</b>	<b>18%</b>	<b>19%</b>

\* 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.



# Q1 FY11 Financial Guidance Summary

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*(\$ in Millions, except per share data)*

	<b>GAAP</b>	<b>Non-GAAP</b>
<b>Net Revenue</b>	\$710 M to \$750 M	\$460 M to \$500 M
<b>Diluted EPS (Loss per share)</b>	(\$0.05) to \$0.05	(\$0.40) to (\$0.35)
<b>Share Count (MM) - Loss</b>	328	328
<b>Share Count (MM) - Profit</b>	330	NA

# FY11 Financial Guidance Summary

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*(\$ in Millions, except per share data)*

	GAAP	Non-GAAP
<b>Net Revenue</b>	\$3.35 BN to \$3.60 BN	\$3.65 BN to \$3.90 BN
<b>Gross Margin %</b>	~ 56%	~ 60%
<b>Operating Expenses</b>	~ \$2.3 BN	~ \$2 BN
<b>Other Income &amp; Expense</b>	~ \$5 M	~ \$5 M
<b>Income Tax Expense</b>	\$15 M to \$20 M	28%
<b>Diluted EPS (Loss per share)</b>	(\$1.15) to (\$0.85)	\$0.50 to \$0.70
<b>Share Count (MM)</b>	329	331

## FY11 Revenue Phasing (Non-GAAP):

Q1: approximately 13%  
 Q2: approximately 21%  
 Q3: approximately 42%  
 Q4: approximately 24%

## FY11 Title Phasing:

Q1 - six titles  
 Q2 - seven titles  
 Q3 - sixteen titles  
 Q4 - seven titles

# Q1 FY11 Title Slate

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	Browser	PS3	Wii	X360	PSP	PC	Total
SKATE 3		X		X			2
2010 FIFA World Cup South Africa		X	X	X	X		4
Tiger PGA Tour Online	X						1
Tiger Woods PGA Tour 11		X	X	X			3
APB (All Points Bulletin)						X	1
Green Day: Rock Band		X	X	X			3
<b>Total EA SKUs</b>	<b>1</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>14</b>

# Non-GAAP Financial Measures

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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:

- Acquired in-process technology
- Acquisition-related contingent consideration
- Amortization of intangibles
- Certain abandoned acquisition-related costs
- Change in deferred net revenue (packaged goods and digital content)
- Goodwill impairment
- Loss on lease obligation (G&A) and facilities acquisition
- Loss on licensed intellectual property commitment (COGS)
- Losses (gains) on strategic investments
- Restructuring charges
- Stock-based compensation
- Income tax adjustments

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 May 11, 2010, Electronic Arts has provided a reconciliation of the most comparable GAAP financial measure to the historical non-GAAP financial measures.

# Safe Harbor Statement

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*Some statements set forth in this document, including the estimates relating to EA's fiscal year 2011 guidance information 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 general health of the U.S. and global economy and the related impact on discretionary consumer spending; fluctuations in foreign exchange rates; consumer spending trends; 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 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™); the Company's ability to predict consumer preferences among competing hardware platforms; the financial impact of the Playfish acquisition and potential future acquisitions by EA; the Company's ability to realize the anticipated benefits of acquisitions; the seasonal and cyclical nature of the interactive game segment; the Company's ability to attract and retain key personnel; changes in the Company's effective tax rates; the performance of strategic investments; the impact of certain accounting requirements, such as the Company's ability to estimate and recognize goodwill impairment charges and determine deferred tax valuation allowances; 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; the Company's ability to secure licenses to valuable entertainment properties on favorable terms; the stability of the Company's key customers, and other factors described in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2009. These forward-looking statements speak only as of May 11, 2010. 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 Annual Report on Form 10-K for the fiscal year ended March 31, 2010. Electronic Arts assumes no obligation and does not intend to update these estimates prior to filing its Form 10-K for the fiscal year ended March 31, 2010.*