Electronic Arts Inc.
Q3 FY 2012 Results

February 1, 2012

Safe Harbor Statement

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

- Some statements set forth in this document, including the estimates relating to EA's fourth quarter information and fiscal year 2012 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, including the PopCap acquisition; 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, 2011.

- These forward-looking statements are valid as of February 1, 2012 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, 2011. 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, 2011.

- In addition, this presentation includes various third party estimates regarding the total available segment and other measures, which do not necessarily reflect the view of Electronic Arts. Further, Electronic Arts does not guarantee the accuracy or reliability of any such information or forecast.

Q3 Summary[1]

Non-GAAP Revenue and EPS Exceeds Guidance[2]

Frontline: Successful launches for *Battlefield 3* and *Star Wars: The Old Republic*

Catalogue: Solid quarterly performance from *FIFA 12*

Digital: Increased 79% YOY to $377 million, and on a trailing 12 month basis, digital revenue exceeded $1 billion

Outlook: Q4 Non-GAAP EPS estimated to be between $0.10 to $0.20

Capital: Repurchased 13.6 million shares for $288 million life to date

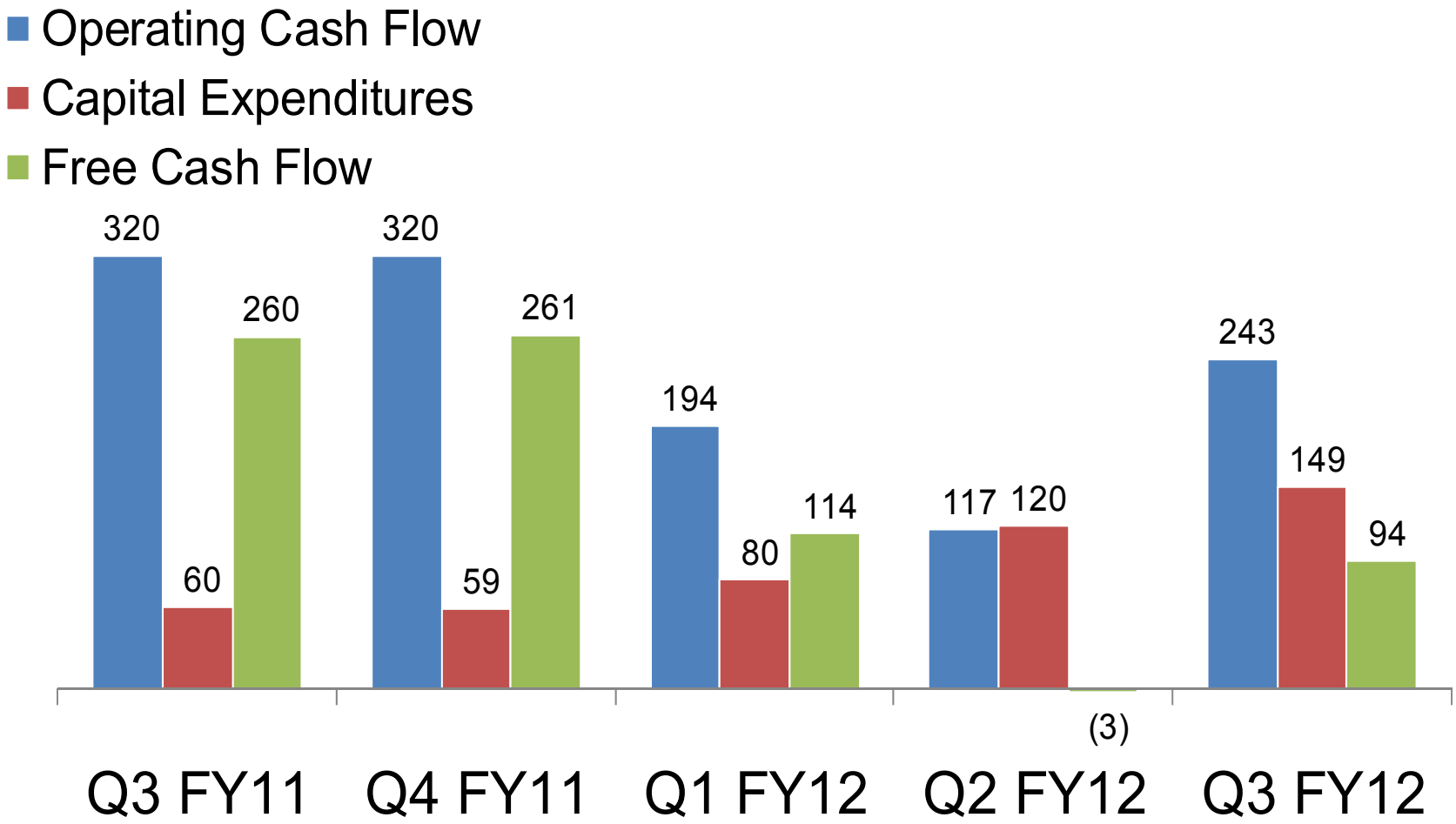
[1] On a non-GAAP basis.
[2] As compared to our October 27, 2011 guidance.

Financial Summary

	GAAP		Non-GAAP	
	Q3 FY11	**Q3 FY12**	**Q3 FY11**	**Q3 FY12**
Net revenue ($, millions)	1,053	1,061	1,410	1,651
Net revenue at Q3 FY11 FX rates ($, millions)		1,024		1,645
Gross profit margin	44.3%	48.0%	58.7%	67.4%
Diluted EPS (LPS)	($0.97)	($0.62)	$0.59	$0.99
Operating cash flow ($, millions)	349	475		
TTM operating cash flow ($, millions)	320	243		
TTM Digital revenue ($, millions)	676	951	721	1,070
Headcount				
Cost of Goods Sold	192	425		
Marketing and Sales	922	1,222		
General and Administrative	988	1,087		
Research and Development	5,640	6,309		
Total	**7,742**	**9,043**		
Headcount in low cost locations	22%	20%		

Cash Flow and Cap Ex[1]

Trailing Twelve Months



[1] $, in millions.

Balance Sheet Highlights

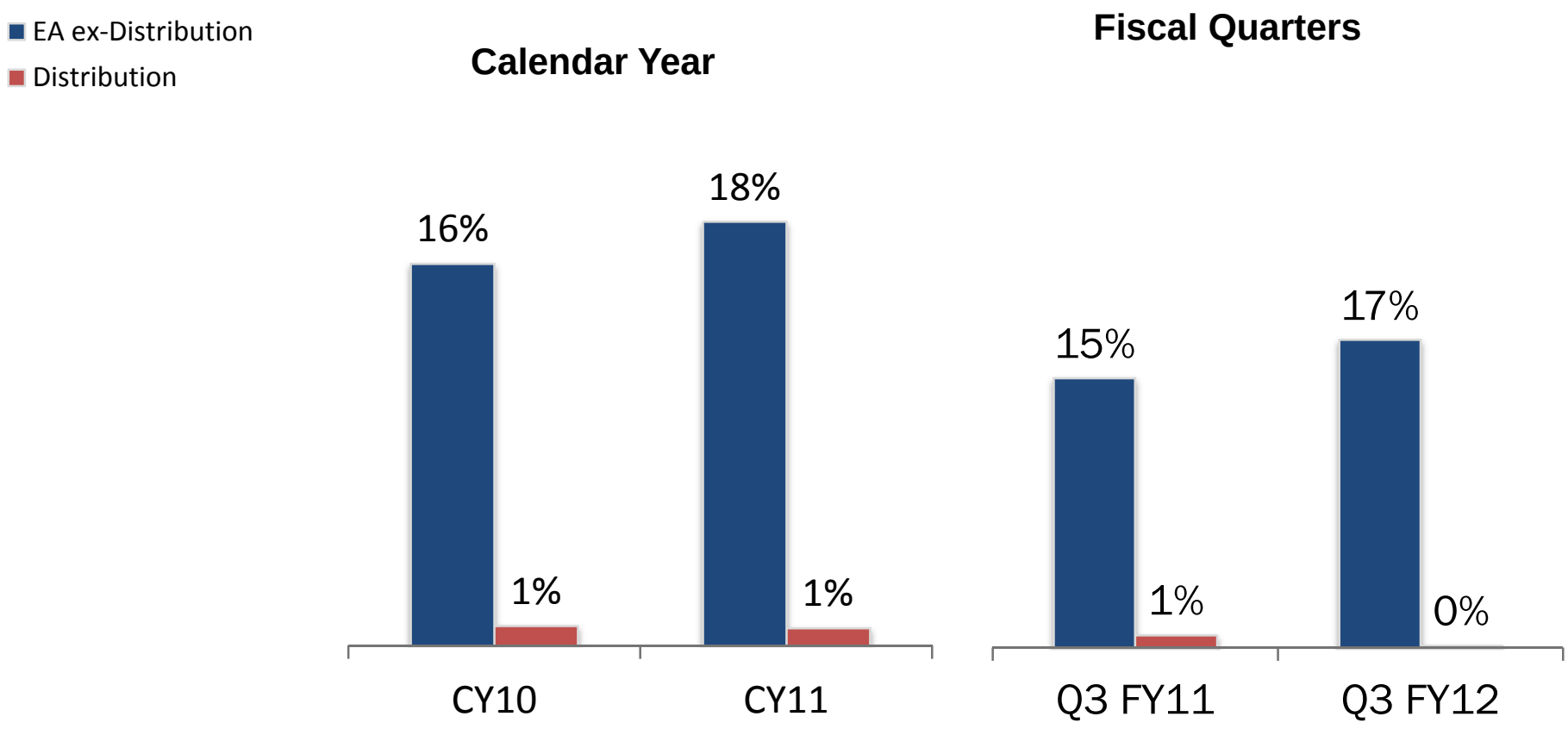
Approximately $5.39/share in cash and marketable securities

	Dec. 31, 2010	Dec. 31, 2011
Total Cash, Short-Term Investments, and Marketable Securities ($, millions)	1,971	1,791
Debt, net ($, millions) [1]	—	534
Inventories, net ($, millions)	105	69
Inventory Turns on a TTM	13	19
Non-GAAP Days Sales Outstanding (DSO)	46	45
Sales Returns and Allowances (SRA) as a percentage of:		
Trailing six month non-GAAP revenue	15%	11%
Trailing nine month non-GAAP revenue	12%	9%
Quarter-to-date Shares Repurchased (millions)	—	1.8
Quarter-to-date Share Repurchase Dollar Amount ($, millions)	—	41
Life-to-date Shares Repurchased (millions)	—	13.6
Life-to-date Share Repurchase Dollar Amount ($, millions)	—	288
Remaining Authorization for Share Repurchase ($, millions) [2]	—	312

[1] EA completed its $632.5 million 0.75% Convertible Senior Notes offering in July, 2011. The amount reflected above represents the carrying amount of the Notes, net of the unamortized discount. We expect to recognize approximately $5 million per quarter related to the amortization of debt discount.
[2] EA is not obligated to repurchase any specific number of shares under its Share Repurchase Program and the program may be modified, suspended or discontinued at any time.

EA Segment Share: Packaged Goods

Western World (North America and Europe)



	CY10	CY11	Q3 FY11	Q3 FY12
EA titles, ex-Distribution	26	22	13	6
EA Distribution titles	3	2	1	0

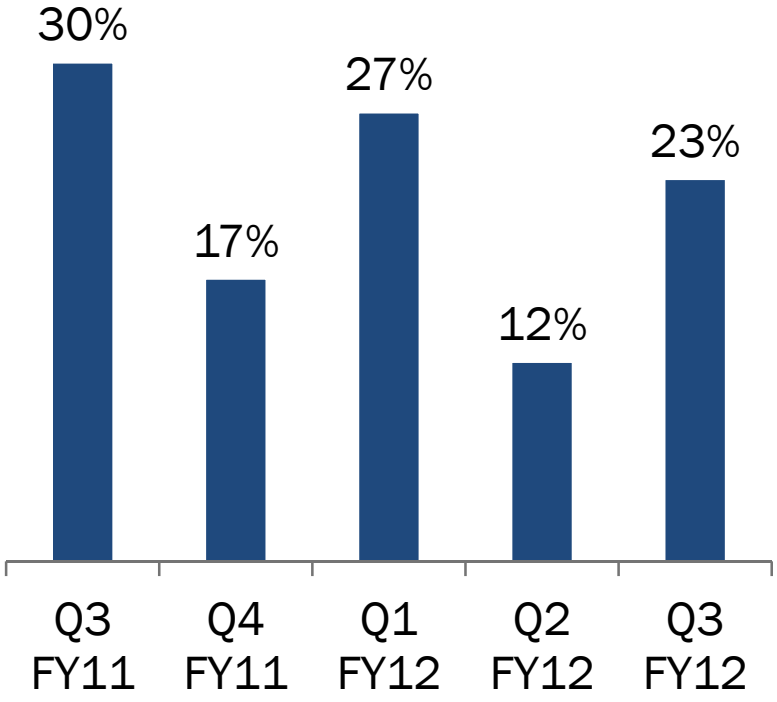
Source: EA estimates.

Packaged Goods: Catalogue

Key Catalogue Titles

- Q3 FY12
  - *FIFA 12, Madden NFL 12, NHL 12, The Sims 3 and NCAA Football*
- Q2 FY12
  - *Battlefield: Bad Company 2, FIFA 2011, The Sims 3*
- Q1 FY12
  - *Crysis 2, FIFA 11, Tiger PGA TOUR 12, Battlefield: Bad Company 2*
- Q4 FY11
  - *FIFA 11, Battlefield: Bad Company 2, Need For Speed Hot Pursuit*
- Q3 FY11
  - *FIFA 11, Madden NFL 11*

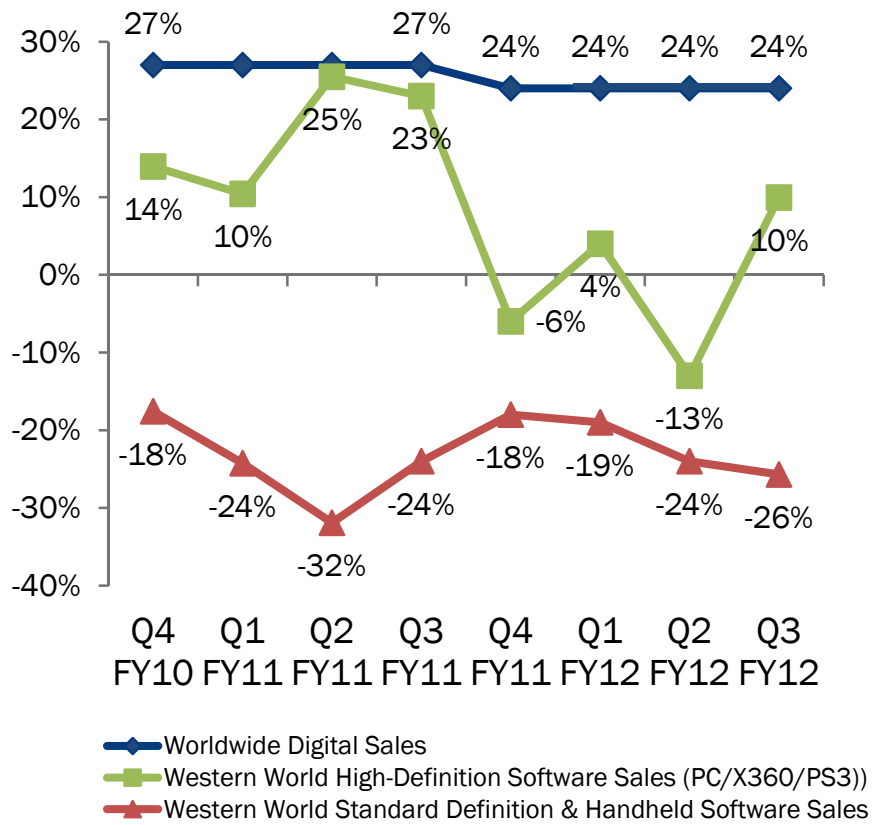
Non-GAAP Catalogue Revenue % of Total Revenue



Interactive Entertainment

Growth from Digital and HD-Platforms Software

Year-Over-Year Segment Growth



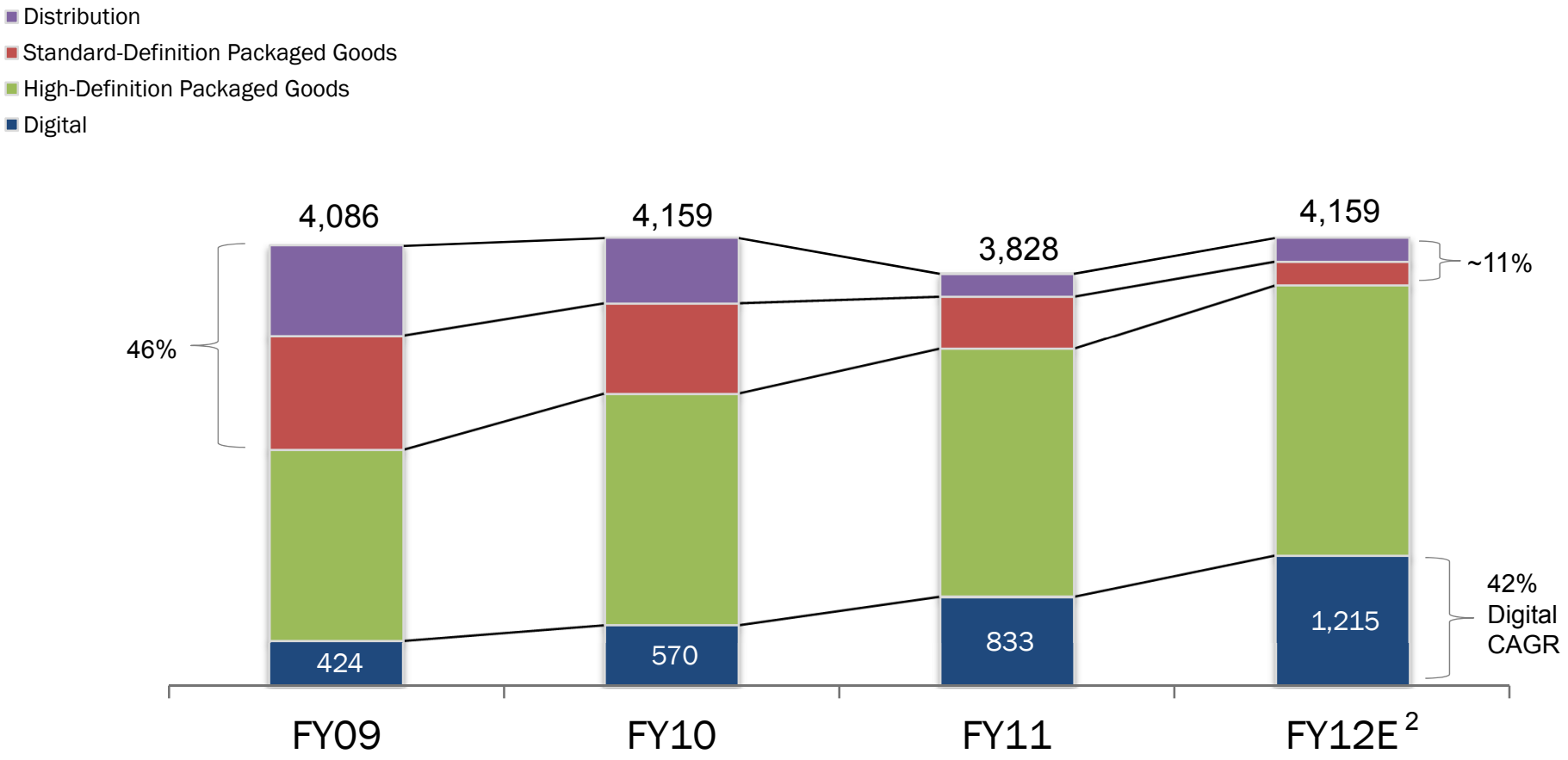
Source: EA estimates.

Segment Performance Summary

- Worldwide Interactive Entertainment
  - CY11 up 5-10%
- Sub-segments
  - Digital Sales
    - Worldwide: CY11 up >20%
  - Western World High Definition Software Sales
    - Q3 FY12 up 10% year over year driven by strong releases like BF 3, COD MW3, FIFA 12

EA Segment Mix[1]

Weighted To Growing **Digital** and **High Definition** Platforms

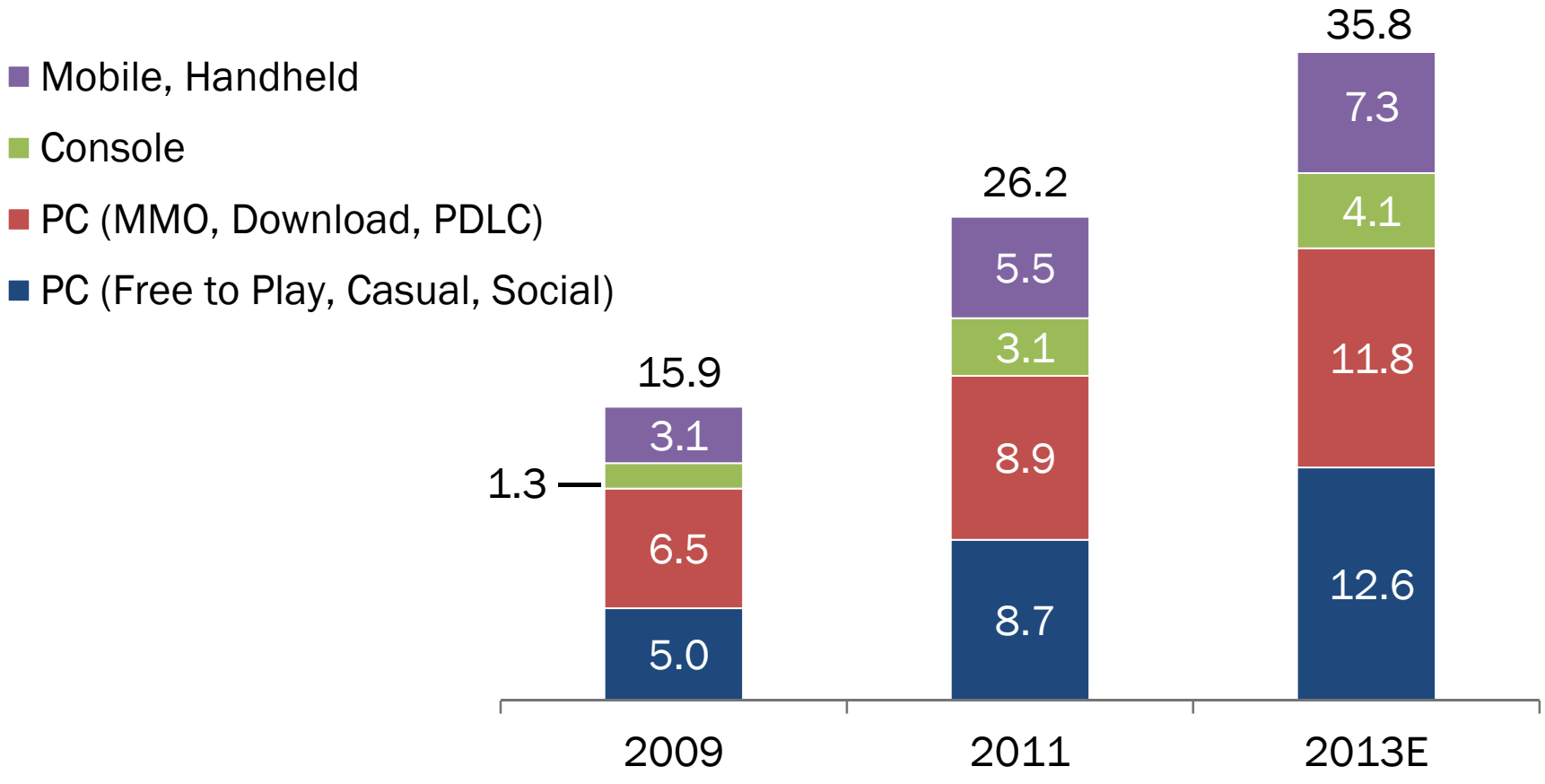


[1] $, in millions, on a non-GAAP basis.

[2] At midpoint of non-GAAP FY12 Guidance. These forward-looking statements are valid as of February 1, 2012 only. Electronic Arts assumes no obligation and does not intend to update these forward-looking statements.

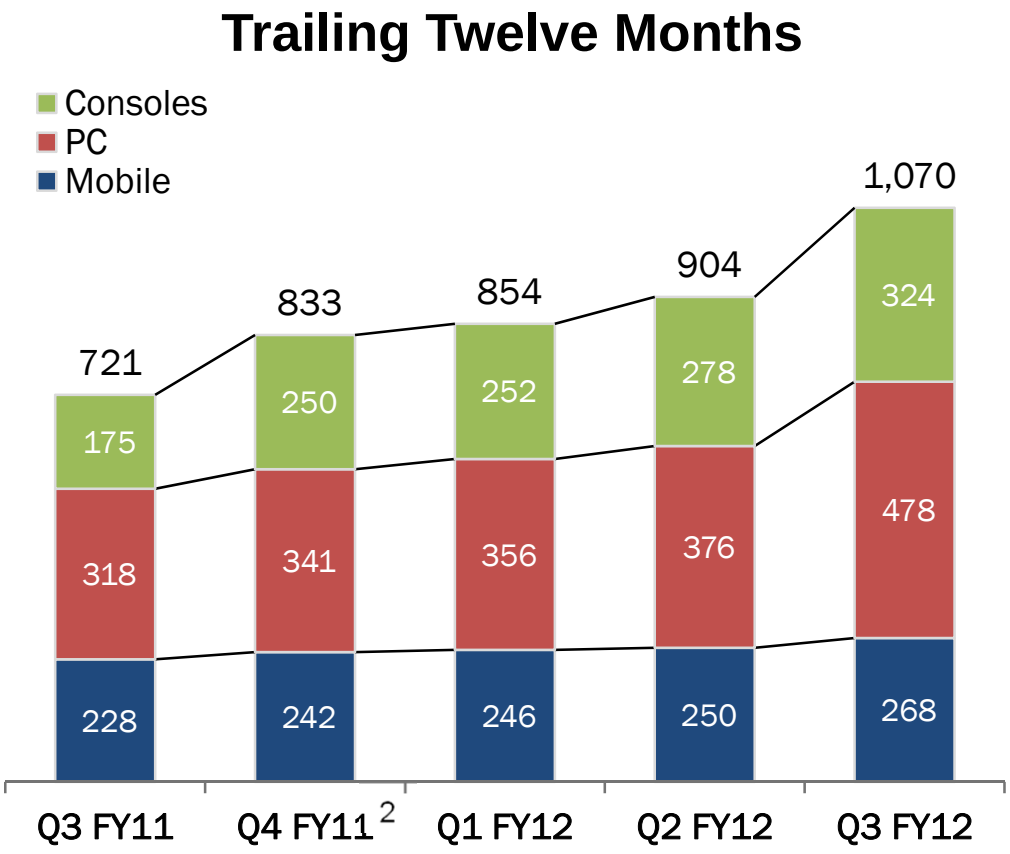
Worldwide Digital Segment

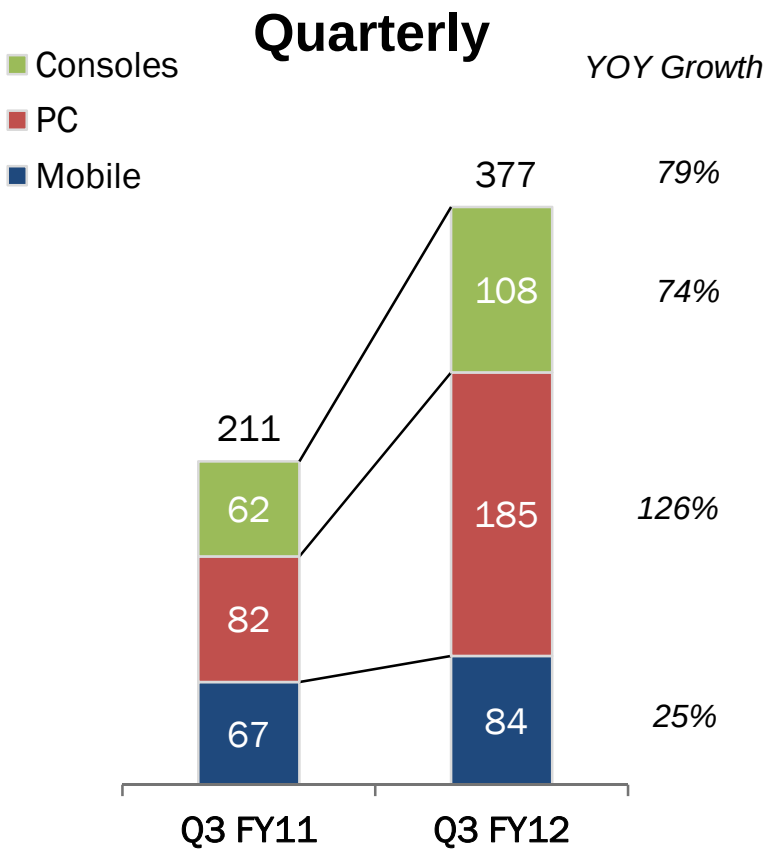
($, billions) Calendar Year Basis



Source: EA estimates.

EA Digital Revenue[1] by Platform

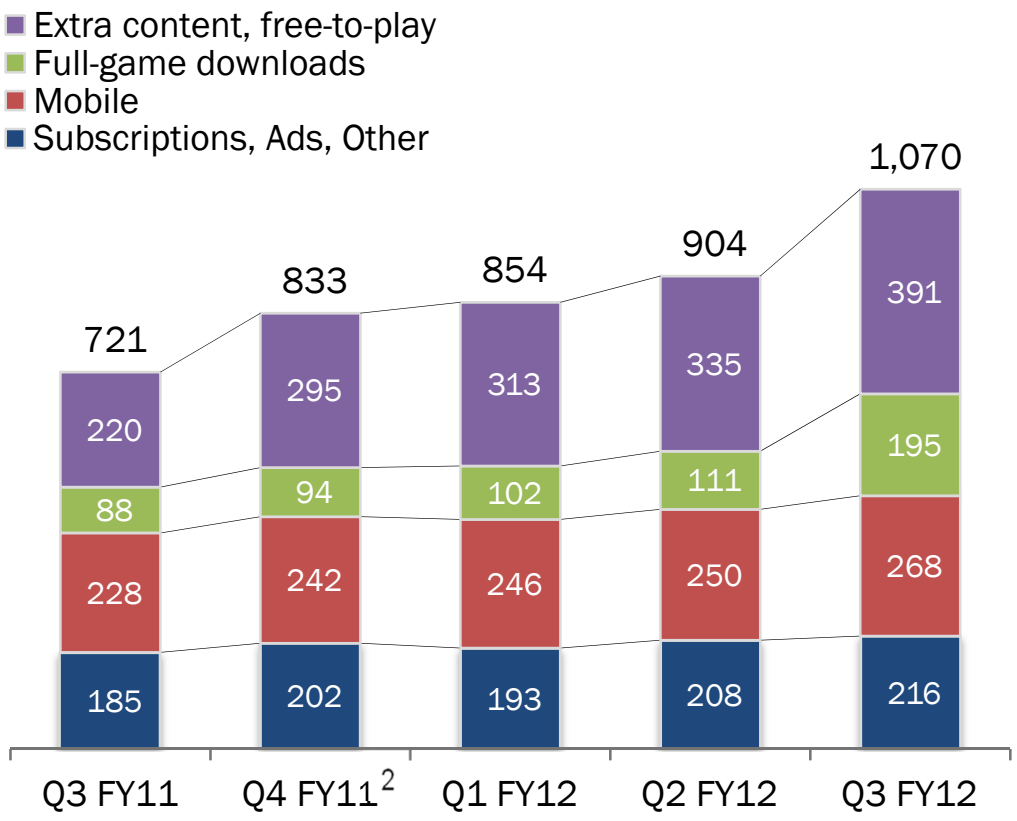




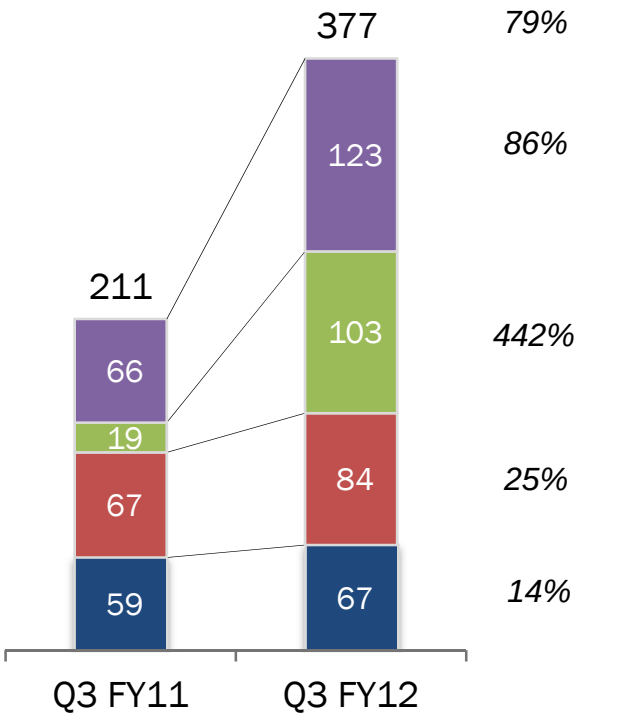
[1] In millions, on a non-GAAP basis. PC includes browser. Mobile includes handheld.
[2] Q4FY11 includes approximately $27 million of digital revenue that the Company does not anticipate in future quarters.

EA Digital Revenue[1] by Type

Trailing Twelve Months



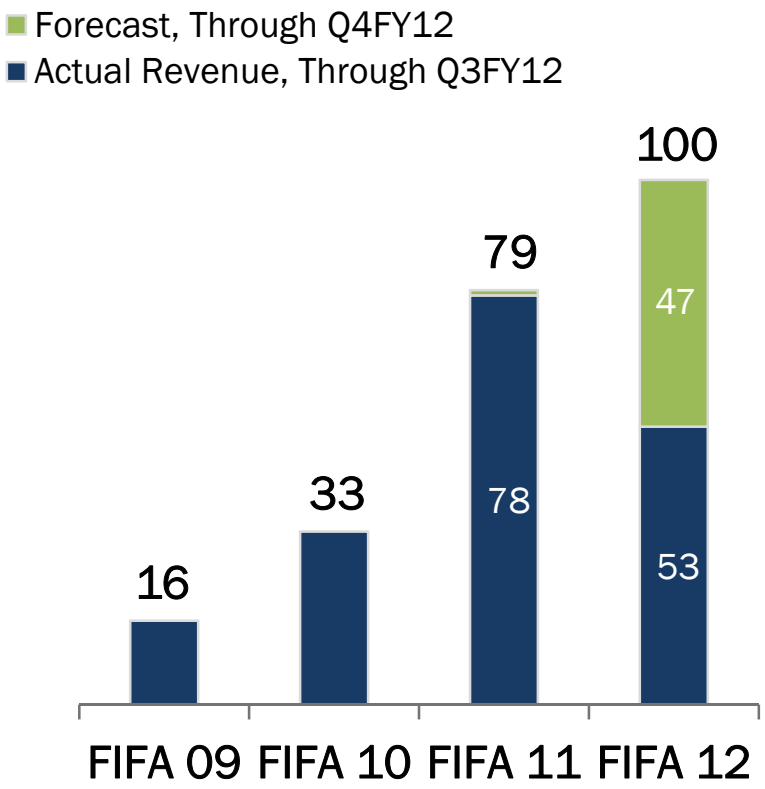
Quarterly



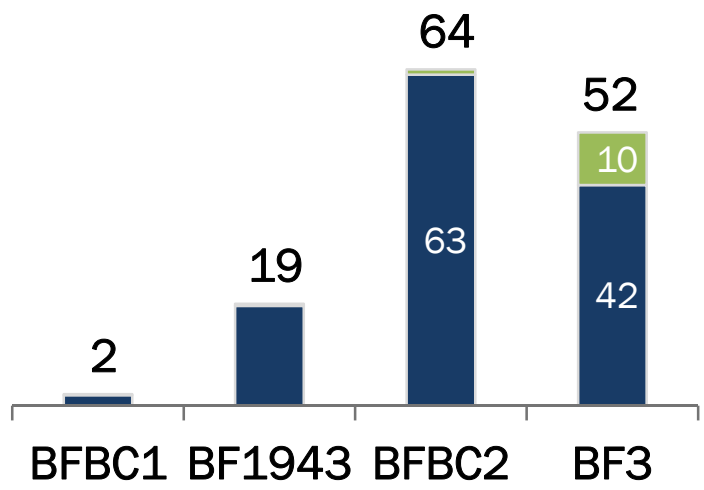
[1] In millions, on a non-GAAP basis. PC includes browser. Mobile includes handheld.
[2] Q4FY11 includes approximately $27 million of digital revenue that the Company does not anticipate in future quarters.

EA Digital Revenue[1] by Title

FIFA Digital Revenue



Battlefield Digital Revenue



[1] $, in millions, non-GAAP, as of December 31, 2011, based on actual data through Q3FY12 and projected data through Q4FY12.

Margin Structure

Trailing Twelve Months

	GAAP		Non-GAAP	
	Q3 FY11	Q3 FY12	Q3 FY11	Q3 FY12
Net revenue ($, millions)	3,478	3,865	3,683	4,204
Gross profit margin	57.8%	59.8%	60.4%	63.8%
Marketing and sales expense	20.8%	21.3%	19.1%	19.1%
General and administrative expense	8.8%	8.7%	7.2%	7.1%
Research and development expense	32.7%	32.5%	27.7%	27.3%
Operating income margin	(10.7%)	(4.8%)	6.4%	10.3%
Net income margin	(11.4%)	(4.5%)	4.7%	7.4%

Guidance[1]

Currency Assumptions

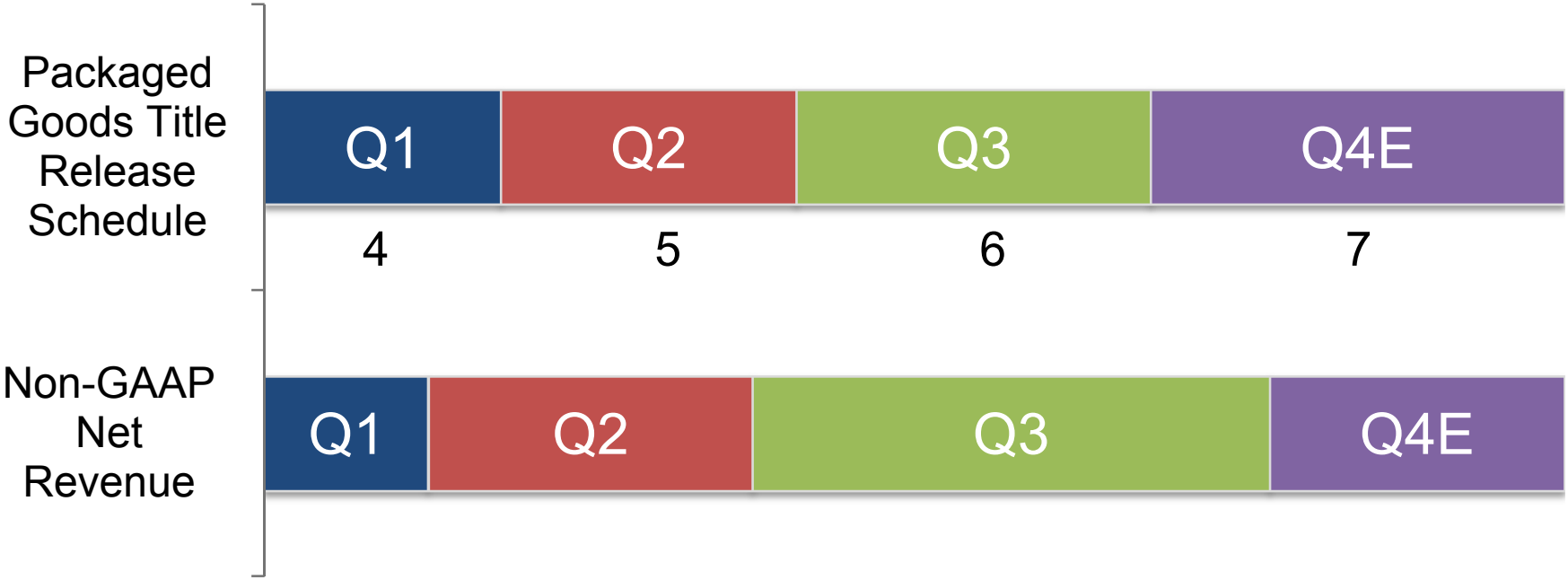
- Exchange rates remain volatile
- Current guidance FX assumptions[2]:
  - $1.30 USD/Euro
    - EPS decreases if the Euro weakens v. USD
  - $0.98 USD/Canadian Dollar
    - R&D costs increase if the Canadian Dollar strengthens v. USD
  - $1.55 USD/British Pound Sterling
    - EPS decreases if the British Pound Sterling weakens v. USD
- Using spot exchange rates as of Jan. 30, 2012:
  - Negligible impact for remainder of FY12 non-GAAP EPS
  - Less than $10 million benefit for remainder of FY12 non-GAAP Net Revenue

[1] These forward-looking statements are valid as of February 1, 2012 only. Electronic Arts assumes no obligation and does not intend to update these forward-looking statements.

[2] Exchange rates as of December 28, 2011.

Guidance – Revenue[1] Phasing

FY12 title release plan and quarterly revenue phasing



GAAP	24%	17%	25%	34%
Non-GAAP	13%	25%	39%	23%

[1] These forward-looking statements are valid as of February 1, 2012 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).

Guidance

Ending March 31, 2012

Q4 FY12	GAAP	Non-GAAP
Net Revenue	1,425 to 1,475	925 to 975
Gross Profit Margin	~77%	66% - 67%
Operating Expense	>610	>560
Tax Expense/(Benefit)	(15)	13 to 26
Net Income	489 to 536	33 to 67
Earnings Per Share	$1.45 to $1.59	$0.10 to $0.20
Diluted Shares (millions)	338	338

FY12		
Operating Cash Flow	~250	~250

All dollars in millions, except Earnings Per Share.

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Supplemental Financial Information

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
  - Change in deferred net revenue (packaged goods and digital content)
  - Loss on licensed intellectual property commitment (COGS)
  - Gain (loss) 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 February 1, 2012, Electronic Arts has provided a reconciliation of the most comparable GAAP financial measure to the historical non-GAAP measures.

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*
Net revenue	**$ 1,061**		**$ -**	**$ -**	**$ 590**	**$ -**	**$ -**	**$ 1,651**	
Cost of goods sold	552	52.0%	(14)	-	-	-	-	538	32.6%
Gross profit	**509**	**48.0%**	**14**	**-**	**590**	**-**	**-**	**1,113**	**67.4%**
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%
Operating income (loss)	**(183)**	**-17.2%**	**14**	**-**	**590**	**48**	**-**	**469**	**28.4%**
Interest and other 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%
Net income (loss)	**$ (205)**	**-19.3%**	**$ 14**	**$ 5**	**$ 590**	**$ 48**	**$ (118)**	**$ 334**	**20.2%**
Losss per share						**Earnings per share**			
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	

Q3 FY11 Reconciliation

GAAP to Non-GAAP Unaudited Condensed Consolidated Statement of Operations

	Three Months Ended December 31, 2010								
	GAAP Results	*% of Revenue*	Acquisition-related expenses	Change in Deferred Net Revenue (Packaged Goods and Digital Content)	Restructuring Charges	Stock-Based Compensation	Income Tax Adjustments	Non-GAAP Results	*% of Revenue*
Net revenue	**$ 1,053**		**$ -**	**$ 357**	**$ -**	**$ -**	**$ -**	**$ 1,410**	
Cost of goods sold	586	55.7%	(3)	-	-	(1)	-	582	41.3%
Gross profit	**467**	**44.3%**	**3**	**357**	**-**	**1**	**-**	**828**	**58.7%**
Operating expenses:									
Marketing and sales	253	24.0%	-	-	-	(6)	-	247	17.5%
General and administrative	75	7.1%	-	-	-	(10)	-	65	4.6%
Research and development	273	26.0%	-	-	-	(29)	-	244	17.3%
Acquisition-related contingent consideration	1	0.1%	(1)	-	-	-	-	-	-
Amortization of intangibles	14	1.3%	(14)	-	-	-	-	-	-
Restructuring charges	154	14.6%	-	-	(154)	-	-	-	-
Total operating expenses	770	73.1%	(15)	-	(154)	(45)	-	556	39.4%
Operating income (loss)	**(303)**	**-28.8%**	**18**	**357**	**154**	**46**	**-**	**272**	**19.3%**
Interest and other income, net	-	-	-	-	-	-	-	-	-
Income (loss) before provision for income taxes	(303)	-28.8%	18	357	154	46	-	272	19.3%
Provision for income taxes	19	1.8%	-	-	-	-	57	76	5.4%
Net income (loss)	**$ (322)**	**-30.6%**	**$ 18**	**$ 357**	**$ 154**	**$ 46**	**$ (57)**	**$ 196**	**13.9%**
Loss per share						**Earnings per share**			
Basic and diluted	**$ (0.97)**					**Basic**		**$ 0.59**	
						Diluted		**$ 0.59**	
Number of shares used in computation						Number of shares used in computation			
Basic and diluted	332					Basic		332	
						Diluted		335	

Q3 FY12 YTD Reconciliation

GAAP to Non-GAAP Unaudited Condensed Consolidated Statement of Operations

	Nine 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 charges	Stock-Based Compensation	Income Tax Adjustments	Non-GAAP Results	*% of Revenue*
Net revenue	**$ 2,775**		**$ -**	**$ -**	**$ 434**	**$ -**	**$ -**	**$ -**	**$ 3,209**	
Cost of goods sold	1,224	44.1%	(25)	-	-	-	(1)	-	1,198	37.3%
Gross profit	**1,551**	**55.9%**	**25**	**-**	**434**	**-**	**1**	**-**	**2,011**	**62.7%**
Operating expenses:										
Marketing and sales	631	22.8%	-	-	-	-	(18)	-	613	19.1%
General and administrative	260	9.4%	-	-	-	-	(29)	-	231	7.2%
Research and development	928	33.4%	-	-	-	-	(81)	-	847	26.4%
Acquisition-related contingent consideration	8	0.3%	(8)	-	-	-	-	-	-	-
Amortization of intangibles	37	1.3%	(37)	-	-	-	-	-	-	-
Restructuring charges	17	0.6%	-	-	-	(17)	-	-	-	-
Total operating expenses	1,881	67.8%	(45)	-	-	(17)	(128)	-	1,691	52.7%
Operating income (loss)	**(330)**	**-11.9%**	**70**	**-**	**434**	**17**	**129**	**-**	**320**	**10.0%**
Interest and other expense, net	(13)	-0.5%	-	9	-	-	-	-	(4)	-0.2%
Income (loss) before provision for (benefit from) income taxes	(343)	-12.4%	70	9	434	17	129	-	316	9.8%
Provision for (benefit from) income taxes	(19)	-0.7%	-	-	-	-	-	107	88	2.7%
Net income (loss)	**$ (324)**	**-11.7%**	**$ 70**	**$ 9**	**$ 434**	**$ 17**	**$ 129**	**$ (107)**	**$ 228**	**7.1%**
Loss per share							**Earnings per share**			
Basic and diluted	**$ (0.98)**						**Basic**		**$ 0.69**	
							Diluted		**$ 0.67**	
Number of shares used in computation							Number of shares used in computation			
Basic and diluted	331						Basic		331	
							Diluted		338	

Q3 FY11 YTD Reconciliation

GAAP to Non-GAAP Unaudited Condensed Consolidated Statement of Operations

	Nine Months Ended December 31, 2010										
	GAAP Results	% of Revenue	Acquisition-related expenses	Change in Deferred Net Revenue (Packaged Goods and Digital Content)	Loss on licensed intellectual property commitment (COGS)	Gain on Strategic Investments	Restructuring Charges	Stock-Based Compensation	Income Tax Adjustments	Non-GAAP Results	% of Revenue
Net revenue	**$ 2,499**		**$ -**	**$ 334**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,833**	
Cost of goods sold	1,171	46.9%	(9)	-	1	-	-	(2)	-	1,161	41.0%
Gross profit	**1,328**	**53.1%**	**9**	**334**	**(1)**	**-**	**-**	**2**	**-**	**1,672**	**59.0%**
Operating expenses:											
Marketing and sales	553	22.1%	-	-	-	-	-	(16)	-	537	19.0%
General and administrative	226	9.0%	-	-	-	-	-	(32)	-	194	6.8%
Research and development	825	33.0%	-	-	-	-	-	(86)	-	739	26.1%
Acquisition-related contingent consideration	(25)	-1.0%	25	-	-	-	-	-	-	-	-
Amortization of intangibles	44	1.8%	(44)	-	-	-	-	-	-	-	-
Restructuring charges	162	6.5%	-	-	-	-	(162)	-	-	-	-
Total operating expenses	1,785	71.4%	(19)	-	-	-	(162)	(134)	-	1,470	51.9%
Operating income (loss)	**(457)**	**-18.3%**	**28**	**334**	**(1)**	**-**	**162**	**136**	**-**	**202**	**7.1%**
Gain on strategic investments	23	1.0%	-	-	-	(23)	-	-	-	-	-
Interest and other income, net	6	0.2%	-	-	-	-	-	-	-	6	0.2%
Income (loss) before provision for (benefit from) income taxes	(428)	-17.1%	28	334	(1)	(23)	162	136	-	208	7.3%
Provision for (benefit from) income taxes	(1)	-	-	-	-	-	-	-	59	58	2.0%
Net income (loss)	**$ (427)**	**-17.1%**	**$ 28**	**$ 334**	**$ (1)**	**$ (23)**	**$ 162**	**$ 136**	**$ (59)**	**$ 150**	**5.3%**
Loss per share								**Earnings per share**			
Basic and diluted	**$ (1.29)**							**Basic**		**$ 0.45**	
								Diluted		**$ 0.45**	
Number of shares used in computation								Number of shares used in computation			
Basic and diluted	330							Basic		330	
								Diluted		333	

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 charges	Stock-Based Compensation	Income Tax Adjustments	Non-GAAP Results	*% of Revenue*
Net revenue	**$ 3,865**		**$ -**	**$ -**	**$ 339**	**$ -**	**$ -**	**$ -**	**$ 4,204**	
Cost of goods sold	1,552	40.2%	(28)	-	-	-	(1)	-	1,523	36.2%
Gross profit	**2,313**	**59.8%**	**28**	**-**	**339**	**-**	**1**	**-**	**2,681**	**63.8%**
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 charges	16	0.4%	-	-	-	(16)	-	-	-	-
Total operating expenses	2,498	64.6%	(66)	-	-	(16)	(166)	-	2,250	53.5%
Operating income (loss)	**(185)**	**-4.8%**	**94**	**-**	**339**	**16**	**167**	**-**	**431**	**10.3%**
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%
Net income (loss)	**$ (173)**	**-4.5%**	**$ 94**	**$ 9**	**$ 339**	**$ 16**	**$ 167**	**$ (141)**	**$ 311**	**7.4%**
Loss per share Diluted	**$ (0.54)**						**Earnings per share Diluted**		**$ 0.92**	

TTM Q3 FY11 Reconciliation

GAAP to Non-GAAP Unaudited Condensed Consolidated Statement of Operations

	Trailing Twelve Months Ended December 31, 2010										
	GAAP Results	% of Revenue	Acquisition-related expenses	Change in Deferred Net Revenue (Packaged Goods and Digital Content)	Loss on licensed intellectual property commitment (COGS)	Gain on Strategic Investments	Restructuring Charges	Stock-Based Compensation	Income Tax Adjustments	Non-GAAP Results	% of Revenue
Net revenue	**$ 3,478**		**$ -**	**$ 205**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,683**	
Cost of goods sold	1,469	42.2%	(11)	-	2	-	-	(3)	-	1,457	39.6%
Gross profit	**2,009**	**57.8%**	**11**	**205**	**(2)**	**-**	**-**	**3**	**-**	**2,226**	**60.4%**
Operating expenses:											
Marketing and sales	724	20.8%	-	-	-	-	-	(20)	-	704	19.1%
General and administrative	305	8.8%	-	-	-	-	-	(41)	-	264	7.2%
Research and development	1,136	32.7%	-	-	-	-	-	(114)	-	1,022	27.7%
Acquisition-related contingent consideration	(23)	-0.7%	23	-	-	-	-	-	-	-	-
Amortization of intangibles	59	1.7%	(59)	-	-	-	-	-	-	-	-
Restructuring charges	182	5.2%	-	-	-	-	(182)	-	-	-	-
Total operating expenses	2,383	68.5%	(36)	-	-	-	(182)	(175)	-	1,990	54.0%
Operating income (loss)	**(374)**	**-10.7%**	**47**	**205**	**(2)**	**-**	**182**	**178**	**-**	**236**	**6.4%**
Gain on strategic investments	22	0.6%	-	-	-	(22)	-	-	-	-	-
Interest and other income, net	4	0.1%	-	-	-	-	-	-	-	4	0.1%
Income (loss) before provison for income taxes	(348)	-10.0%	47	205	(2)	(22)	182	178	-	240	6.5%
Provision for income taxes	49	1.4%	-	-	-	-	-	-	18	67	1.8%
Net income (loss)	**$ (397)**	**-11.4%**	**$ 47**	**$ 205**	**$ (2)**	**$ (22)**	**$ 182**	**$ 178**	**$ (18)**	**$ 173**	**4.7%**
Loss per share								**Earnings per share**			
Diluted	**$ (1.20)**							**Diluted**		**$ 0.52**	

Q4 FY12 Guidance Reconciliation

The following table provides a reconciliation of the non-GAAP financial measures regarding Electronic Arts' Q4 FY12 Guidance to the nearest comparable GAAP financial measures. These are preliminary estimates and expectations based on current information as of February 1, 2012 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	Change in Deferred Net Revenue (Packaged Goods and Digital Content)	Accretion	Restructuring	Stock-Based Compensation	Tax Adjustments	Non-GAAP Guidance
Low end of Q4 guidance range								
Net Revenue	**1,425**		(500)					**925**
Approximate Gross Margin %	**77%**	*~1%*	*~(12%)*					**66%**
Approximate Operating Expense	**>610**	(5)			(2)	(45)		**>560**
Approximate Tax Expense (Benefit)	**(15)**						28	**13**
Net Income	**489**	**20**	**(500)**	**5**	**2**	**45**	**(28)**	**33**
Earnings Per Share	**$ 1.45**							**$ 0.10**
Diluted shares	**338**							**338**
High end of Q4 guidance range								
Net Revenue	**1,475**		(500)					**975**
Approximate Gross Margin %	**77%**	*~1%*	*~(11%)*					**67%**
Approximate Operating Expense	**>610**	(5)			(2)	(45)		**>560**
Approximate Tax Expense (Benefit)	**(15)**						41	**26**
Net Income	**536**	**20**	**(500)**	**5**	**2**	**45**	**(41)**	**67**
Earnings Per Share	**$ 1.59**							**$ 0.20**
Diluted shares	**338**							**338**