Electronic Arts Inc.
Fiscal Year 2015
Proxy Statement and Annual Report

Notice of 2015 Annual Meeting and Proxy Statement

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Electronic Arts Inc. Notice of 2015 Annual Meeting of Stockholders

DATE: August 14, 2015

TIME: 2:00 p.m. (Pacific)

PLACE: ELECTRONIC ARTS' HEADQUARTERS
Building 250*
209 Redwood Shores Parkway
Redwood City, CA 94065

** Please note: Building 250 is located on the headquarters' campus at 250 Shoreline Drive*

MATTERS TO BE VOTED UPON:

Agenda Item	Board of Directors Recommendation
1. The election of nine members of the Board of Directors to hold office for a one-year term.	FOR ALL
2. Advisory vote on the compensation of the named executive officers.	FOR
3. Ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2016.	FOR
4. To consider and vote upon a stockholder proposal to amend our bylaws to permit stockholder proxy access.	AGAINST
5. Any other matters that may properly come before the meeting.	

Any action on the items of business described above may be considered at the 2015 Annual Meeting of Stockholders (the "Annual Meeting") at the time and on the date specified above or at any time and date to which the Annual Meeting may be properly adjourned or postponed.

Stockholders of record as of the close of business on June 22, 2015 are entitled to notice of the meeting and to attend and vote at the meeting. A live audio webcast of the Annual Meeting will also be made available at *http://investor.ea.com.*

Your vote is important. You do not need to attend the Annual Meeting to vote if you have submitted your proxy in advance of the meeting. Whether or not you plan to attend the Annual Meeting, we encourage you to read this Proxy Statement and submit your proxy or voting instructions as soon as possible, so that your shares may be represented at the meeting. You may vote on the Internet, in person, by telephone, or, if you requested to receive printed proxy materials, by mailing a proxy card or voting instruction card. For specific instructions on how to vote your shares, please refer to the instructions on the Notice of Internet Availability of Proxy Materials ("Notice") you received in the mail, the section titled "Commonly Asked Questions and Answers" beginning on page 5 of this Proxy Statement or, if you requested to receive printed proxy materials, your enclosed proxy card. Please note that this Proxy Statement, as well as our Annual Report on Form 10-K (the "Annual Report") for fiscal year ended March 31, 2015, is available at *http://investor.ea.com*.

By Order of the Board of Directors,

Jacob J. Schatz
Senior Vice President, General Counsel
and Corporate Secretary

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In this Proxy Statement, we may make forward-looking statements regarding future events or the future financial performance of the Company. 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 those set forth in the forward-looking statements. Please refer to the Annual Report for a discussion of important factors that could cause actual events or actual results to differ materially from those discussed in this Proxy Statement. These forward-looking statements speak only as of the date of this Proxy Statement; we assume no obligation to, and do not necessarily intend to, update these forward-looking statements.

2015 PROXY STATEMENT SUMMARY AND HIGHLIGHTS

This summary highlights certain information contained in this Proxy Statement. It does not contain all the information found in this Proxy Statement, and it is qualified in its entirety by the remainder of this Proxy Statement which was distributed and/or made available via the Internet to stockholders on or about June 26, 2015 along with the Notice of Electronic Arts Inc.'s Annual Meeting of Stockholders, Annual Report and form of proxy. *You are encouraged to read the entire Proxy Statement carefully before voting.* In this Proxy Statement, the terms "EA", "we", "our" or "the Company" refer to Electronic Arts Inc.

FINANCIAL AND OPERATING HIGHLIGHTS

Fiscal 2015 was a year of exceptional performance for EA. Our core strategies delivered award-winning games and services to our players and deep player engagement. This, together with strong execution, generated excellent financial results for the Company. In addition, for fiscal year 2015, we were the #1 publisher on Xbox One and PlayStation 4 combined.

We accomplished these results while controlling operating expenses through disciplined cost management. Our non-GAAP financial results reflect these accomplishments: we exceeded our net revenue and earnings per share guidance, drove higher gross margins, increased our cash provided by operations and invested in new products and services for the future. In fiscal 2015, our share price increased by 104%, making us the 4th best performing stock in the S&P 500 Index over that time period. As part of our commitment to return value to our stockholders, we also utilized approximately $337 million to repurchase our common stock in fiscal 2015, and in May 2015, we replaced our existing share repurchase authorization with a new $1 billion program.

- We generated $4.32 billion in non-GAAP net revenue and delivered $2.51 in non-GAAP diluted earnings per share.
- Our non-GAAP digital net revenue increased to $2.23 billion in fiscal 2015 and represented over half of our total non-GAAP net revenue for the first time in Company history.
- We delivered non-GAAP net income of $806 million and operating cash flow of $1.07 billion, both records for a fiscal year.
- Our non-GAAP operating profit margins increased to nearly 25% from 18%.
- Non-GAAP mobile net revenue of $524 million was a record for a fiscal year.
- *Dragon Age: Inquisition*, which launched in November 2014, has garnered more than 100 "Game of the Year" awards from media outlets including IGN, Game Informer and the Associated Press.

On a GAAP basis in fiscal 2015, we delivered net revenue of $4.52 billion, diluted earnings per share of $2.69, digital net revenue of $2.20 billion (49% of our total net revenue), net income of $875 million and mobile net revenue of $501 million. Our fiscal 2015 GAAP operating income was $948 million, creating GAAP operating profit margins of 21%. Appendix A to this Proxy statement includes a reconciliation of the non-GAAP financial measures referenced above to the most directly comparable GAAP financial measures.

EXECUTIVE COMPENSATION HIGHLIGHTS

The design of our compensation programs is guided by a compensation philosophy based on three core principles intended to promote a pay-for-performance approach to executive compensation:

Principle 1 — Cash Compensation: A significant portion of each NEO's cash compensation should be at risk based on the annual financial and operational performance of the Company, in addition to the NEO's individual performance;

Principle 2 — Equity Compensation: A significant portion of each NEO's total compensation should be provided in the form of long-term equity to enhance alignment between the interests of our NEOs and our stockholders and to promote long-term retention of a strong leadership team in an industry that is highly competitive for executive talent; and

Principle 3 — Target Total Direct Compensation: The target total direct compensation package for each NEO should be consistent with market practices for executive talent, and reflect each NEO's individual experience, responsibilities and performance.

Program Design and Best Practices

Our executive compensation programs are designed to align the interests of our executives with the interests of our stockholders. Some of the executive compensation "best practices" we employ include:

What We Do	What We Don't Do
☑ Incorporate both time-based and performance-based RSUs	☒ Have a "single-trigger" change in control plan
☑ Eliminated stock options from our equity mix in fiscal 2016 after stockholder feedback	☒ Provide excise tax gross-up upon a change of control
☑ Require our executives and directors to satisfy stock ownership guidelines	☒ Have executive employment contracts (other than required by local jurisdictions)
☑ Prohibit all employees from engaging in hedging transactions in EA stock and prohibit directors and executives from pledging EA stock	
☑ Conduct annual "say on pay" advisory votes	
☑ Regularly solicit feedback from our largest stockholders on our executive compensation programs	

BOARD NOMINEES

The following table provides summary information about our director nominees, each of whom is a current director of the Company.

Name	Principal Occupation	Director Since	Independence	Committee Memberships
Leonard S. Coleman	Former President of The National League of Professional Baseball Clubs	2001	X	NG, C
Jay C. Hoag	Founding General Partner, Technology Crossover Ventures	2011	X	C (chair)
Jeffrey T. Huber	Senior Vice President, Google Inc.	2009	X	A
Vivek Paul	Private Investor	2005	X	C
Lawrence F. Probst III (Chairman)	Chairman, Electronic Arts	1991		
Richard A. Simonson (Lead Director* until Annual Meeting)	Executive Vice President, Chief Financial Officer, Sabre Corporation	2006	X	A (chair)
Luis A. Ubiñas (Lead Director* after Annual Meeting)	Former President, Ford Foundation	2010	X	NG (chair)
Denise F. Warren	Executive Vice President, Tribune Publishing Company	2013	X	A
Andrew Wilson	Chief Executive Officer, Electronic Arts	2013		

* Elected by independent directors

NG: Nominating and Governance Committee

C: Compensation Committee

A: Audit Committee

CORPORATE GOVERNANCE HIGHLIGHTS

Board Independence	
Independent Director Nominees	7 of 9
Independent Lead Director	Rick Simonson (until Annual Meeting) Luis A. Ubiñas (after Annual Meeting)
Independent Board Committees	All
Conflict of Interest Policy	Yes

Board Operations	
Number of directors that attended 100% of board and standing committee meetings in fiscal 2015; number of directors that attended at least 78% of all meetings	6 of 9 9 of 9
Board Evaluations	Annual
Committee Evaluations	Annual
Director stock ownership requirement	Yes, 5x retainer

Director Elections	
Frequency of board elections	Annual
Voting standard for uncontested elections	Majority of votes cast

Stockholder Rights	
Voting rights for all shares	One-share, one-vote
Poison Pill	No
Supermajority Voting Provisions	None

COMMONLY ASKED QUESTIONS AND ANSWERS

Why am I receiving these materials?

Our Board of Directors has made these materials available to you on the Internet or, upon your request, has delivered printed proxy materials to you in connection with the Company's solicitation of proxies for use at our Annual Meeting, which will take place on Friday, August 14, 2015 at 2:00 p.m. local time, at our corporate headquarters in Redwood City, California. This Proxy Statement describes proposals on which you, as a stockholder, are being asked to vote. It also gives you information on these proposals, as well as other information so that you can make an informed decision. As a stockholder, you are invited to attend the Annual Meeting and are requested to vote on the items of business described in this Proxy Statement.

Why did I receive a Notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

In accordance with rules adopted by the SEC, we may furnish proxy materials, including this Proxy Statement and our Annual Report, to our stockholders by providing access to such documents on the Internet instead of mailing printed copies. Most stockholders will not receive printed copies of the proxy materials unless they request them. Instead, the Notice, which was mailed to most of our stockholders, provides instructions on how to access and review all of the proxy materials on the Internet. The Notice also describes how you may submit your proxy on the Internet. If you would like to receive a paper or email copy of our proxy materials, you should follow the instructions for requesting such materials in the Notice or you may also contact the Company directly. The Company will provide you without charge, upon request, a paper or email copy of our proxy materials (paper copies will be sent by first class mail). Any such request should be directed as follows: Corporate Secretary, Electronic Arts Inc., 209 Redwood Shores Parkway, Redwood City, CA 94065 or call (650) 628-1500.

How can I get electronic access to the proxy materials?

The proxy card provides instructions on how to inform us to send future proxy materials to you electronically by email. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it. ***We encourage you to choose to receive future proxy materials by email. Doing so will allow us to provide you with the information you need in a more timely manner, will save us the cost of printing and mailing documents to you, and will help conserve natural resources.***

Can I vote my shares by filling out and returning the Notice?

No. However, the Notice provides instructions on how to vote on the Internet, by phone, by mail by requesting and returning a paper proxy card, or by submitting a ballot in person at the Annual Meeting.

Who can vote at the Annual Meeting?

Stockholders who owned common stock as of the close of business on June 22, 2015 may attend and vote at the Annual Meeting. If your shares are registered directly in your name with our transfer agent, Wells Fargo Shareowner Services, you are considered, with respect to those shares, the stockholder of record. As the stockholder of record, you have the right to vote in person at the meeting. If your shares are held in a brokerage account or by another nominee or trustee, you are considered the beneficial owner of shares held in "street name". As the beneficial owner, you are also invited to attend the meeting. As a beneficial owner, you are not the stockholder of record and may not vote these shares in person at the meeting unless you obtain a "legal proxy" from your broker, nominee, or trustee that holds your shares, giving you the right to vote the shares at the meeting. Each share of common stock is entitled to one vote. There were 312,092,782 shares of common stock outstanding on the record date.

What am I voting on?

We are asking you to:

- Elect Leonard S. Coleman, Jay C. Hoag, Jeffrey T. Huber, Vivek Paul, Lawrence F. Probst III, Richard A. Simonson, Luis A. Ubiñas, Denise F. Warren and Andrew Wilson to the Board of Directors to hold office for a one-year term (Proposal 1);
- Cast an advisory vote on the compensation of the Company's named executive officers (Proposal 2);
- Ratify the appointment of KPMG LLP as the Company's independent auditors for the fiscal year ending March 31, 2016 (Proposal 3); and
- Vote "AGAINST" the stockholder proposal regarding proxy access (Proposal 4).

How do I vote my shares if I won't be able to attend the Annual Meeting in person?

You do not need to attend the Annual Meeting in person in order to vote. You may, instead, vote on the Internet, by telephone or by mail (if you have received printed proxy materials). By doing so, you are giving a proxy appointing Andrew Wilson (the Company's Chief Executive Officer), Blake Jorgensen (the Company's Chief Financial Officer), and Jacob Schatz (the Company's Senior Vice President, General Counsel and Corporate Secretary) or any of them, each with power of substitution, to vote your shares at the meeting as you have instructed. If a proposal comes up for a vote at the meeting for which you have not indicated an instruction, Mr. Wilson, Mr. Jorgensen and Mr. Schatz, or any one of them, will vote your shares according to their best judgment. Even if you currently plan to attend the meeting, it is a good idea to vote on the Internet, by telephone or, if you received printed proxy materials, to complete and return your proxy card before the meeting date, in case your plans change.

- ***On the Internet or by Telephone*** — If you have Internet access, you may submit your proxy online by following the instructions provided in the Notice, or you may vote by telephone by following the instructions provided on your proxy card or voting instruction card.
- ***By Mail*** — If you receive printed proxy materials, you may submit your proxy by mail by signing your proxy card or, for shares held in street name, by following the voting instructions included by your broker, trustee or nominee, and mailing it in the enclosed, postage-paid envelope. If you provide specific voting instructions, your shares will be voted as you have instructed.

What does it mean if I receive more than one Notice or proxy card?

It means that you have multiple accounts at the transfer agent or with brokers. Please complete and return all proxy cards, or follow the instructions on each proxy card to vote by telephone or on the Internet, to ensure that all your shares are voted.

I share an address with another stockholder, and we received only one paper copy of the proxy materials. How can I obtain an additional copy of the proxy materials?

The Company has adopted an SEC-approved procedure called "householding." Under this procedure, the Company may deliver a single copy of the Notice, Annual Report and this Proxy Statement to multiple stockholders who share the same last name and address and who have consented to householding in accordance with SEC rules unless the Company has received contrary instructions from one or more of those stockholders. This procedure reduces the environmental impact of the Company's annual meetings, and reduces the Company's printing and mailing costs. Stockholders who participate in householding will continue to receive separate proxy cards. Upon written or oral request, the Company will deliver promptly a separate copy of the Notice, Annual Report and this Proxy Statement to any stockholder at a shared address to which the Company delivered a single copy of any of these documents.

To receive free of charge a separate copy of the Notice, Annual Report and this Proxy Statement, or separate copies of these documents in the future, stockholders may write our Corporate Secretary at 209 Redwood Shores Parkway, Redwood City, CA 94065 or call (650) 628-1500.

If you are receiving more than one copy of the proxy materials at a single address and would like to participate in householding, please contact the Company using the mailing address or phone number above. Stockholders who hold shares in street name may contact their brokerage firm, bank, broker-dealer or other similar organization to request information about householding.

What if I change my mind after I give my proxy?

You may revoke your proxy and change your vote at any time before the polls close at the meeting. You may do this by:

- Sending a signed statement to the Company that the proxy is revoked (you may send such a statement to the Corporate Secretary at our corporate headquarters address listed above);
- Signing and returning another proxy with a later date;
- Voting by telephone or on the Internet at any time prior to 11:59 p.m. Eastern Time on August 13, 2015 (your latest vote is counted); or
- Voting in person at the Annual Meeting.

Your proxy will not be revoked if you attend the Annual Meeting but do not vote.

How many shares must be present to hold the meeting?

To hold the meeting and conduct business, a majority of EA's outstanding voting shares as of June 22, 2015 must be present or represented by proxies at the meeting. On June 22 2015, a total of 312,092,782 shares of common stock were outstanding and entitled to vote. Each share of common stock is entitled to one vote. Shares representing a majority, or at least 156,046,392 shares, of these votes must be present in person or by proxy. This is called a quorum.

Shares are counted as present at the meeting if:

- They are entitled to vote at the Annual Meeting and are present at the Annual Meeting in person, or
- The stockholder has voted on the Internet, by telephone or a properly submitted proxy card.

Who will count the votes?

A representative of Broadridge Financial Solutions will tabulate the votes and act as the inspector of election.

How are votes counted?

You may vote "for", "against" or "abstain" with respect to each of the nominees for election to the Board of Directors and on each of the proposals. A share voted "abstain" with respect to any proposal is considered as present at the Annual Meeting for purposes of establishing a quorum and entitled to vote with respect to that proposal, but is not considered a vote cast with respect to that proposal. Thus, abstentions will not affect the outcome of any matter being voted on at the meeting. If you sign and return your proxy without voting instructions, your shares will be voted as recommended by the Board of Directors.

What is the effect of a "broker non-vote" on the proposals to be voted on at the Annual Meeting?

If your shares are held by a broker, bank or other nominee or trustee and you do not provide your broker, bank or other nominee or trustee with voting instructions, your shares may constitute "broker non-votes." Broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owners and instructions are not given. These matters are referred to as "non-routine" matters. All of the matters scheduled to be voted on at the Annual Meeting are "non-routine", except for the proposal to ratify the appointment of KPMG LLP as our independent auditors for fiscal 2016. In tabulating the voting results for any particular proposal, shares that constitute broker non-votes are not considered votes cast on that proposal. Thus, broker non-votes will not affect the outcome of any matter being voted on at the meeting. If your shares are held of record by a bank, broker, or other nominee, we urge you to give instructions to your bank, broker or other nominee as to how you wish your shares to be voted.

How many votes must the nominees receive to be elected as directors?

In an uncontested election, EA's bylaws require each nominee to receive more votes cast "for" than "against" his or her election or re-election in order to be elected or re-elected to the Board of Directors. Since we are not aware of any intention by any stockholder to nominate one or more candidates to compete with the Board of Directors' nominees for election at the Annual Meeting, the 2015 election will be uncontested.

In accordance with our Corporate Governance Guidelines, the Board of Directors expects an incumbent director to tender his or her resignation if he or she fails to receive the required number of votes for election or re-election in an uncontested election. In such an event, the Nominating and Governance Committee will act on an expedited basis to determine whether to accept the director's resignation and will submit such recommendation for prompt consideration by the Board of Directors. The Board of Directors expects the director whose resignation is under consideration to abstain from participating in any decision regarding his or her resignation. The Nominating and Governance Committee and the Board of Directors may consider any factors they deem relevant in deciding whether to accept and recommend a director's resignation. The Board of Directors will act on the Nominating and Governance Committee's recommendation within 90 days from the date of the certification of election results and will publicly disclose its decision promptly thereafter.

Shares represented by your proxy will be voted by EA's management "for" the election of the nine nominees recommended by EA's Board of Directors unless you vote against any or all of such nominees or you mark your proxy to "abstain" from so voting. Abstentions and broker non-votes will have no effect on the outcome of the director elections.

What happens if one or more of the nominees is unable to serve or for good cause will not serve?

If, prior to the Annual Meeting, one or more of the nominees notifies us that he or she is unable to serve, or for good cause will not serve, as a member of the Board of Directors, the Board of Directors may reduce the number of directors or select a substitute nominee or substitute nominees, as the case may be. In the latter case, if you have completed and returned your proxy card, Mr. Wilson, Mr. Jorgensen, and Mr. Schatz, or any of them, shall have the discretion to vote your shares for a substitute nominee. They cannot vote for more than nine nominees.

How many votes are required to approve each of the other proposals?

The advisory vote on the compensation of the named executive officers, the ratification of KPMG LLP (the "independent auditors") and the stockholder proposal must receive a "for" vote from a majority of the voting shares present at the Annual Meeting in person or by proxy and voting for or against these proposals. As advisory votes, each of the proposal on the compensation of the named executive officers and the stockholder proposal are non-binding. Although these votes are non-binding, the Board of Directors, the Compensation Committee and the Nominating and Governance Committee, as the case may be, value the opinions of our stockholders, and will consider the outcome of these votes, along with other relevant factors, in evaluating the compensation program for our named executive officers and the matter presented by the stockholder proposal.

Shares represented by your proxy will be voted by EA's management in accordance with the Board's recommendation unless you vote otherwise on your proxy or you mark your proxy to "abstain" from voting. Abstentions and broker non-votes will have no effect on the outcome of these proposals.

How can I listen to the live audio webcast of the Annual Meeting?

You can listen to the live audio webcast of the Annual Meeting by going to the Investor Relations section of our website at *http://investor.ea.com*. An archived copy of the webcast will also be available on our website for one year following the Annual Meeting. Please note that participation in the question and answer portion of the Annual Meeting will be limited to those attending in person.

Where do I find the voting results of the meeting?

We will announce preliminary voting results at the meeting. We will also publish the final results on Form 8-K, which we will file with the SEC within four business days after the Annual Meeting. Once filed, you can request a copy of the Form 8-K by contacting our Investor Relations department at (650) 628-7352 or the SEC at

(800) SEC-0330 for the location of its nearest public reference room. You can also get a copy on the Internet at *http://investor.ea.com* or through the SEC's electronic data system called EDGAR at *www.sec.gov*.

Who will pay for this proxy solicitation?

We will bear the costs of soliciting proxies from our stockholders. These costs include preparing, assembling, printing, mailing and distributing the notices, proxy statements, proxy cards and annual reports. If you choose to access the proxy materials and/or vote on the Internet, you are responsible for Internet access charges you may incur. If you choose to vote by telephone, you are responsible for telephone charges you may incur. In addition, some of our officers, directors, employees and other agents may also solicit proxies personally, by telephone and by electronic and regular mail, and we will pay these costs. EA will also reimburse brokerage houses and other custodians for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to the beneficial owners of common stock.

How is the Company's fiscal year calculated?

The Company's fiscal year is reported on a 52- or 53-week period that ends on the Saturday nearest March 31. Our results of operations for fiscal 2015 contained 52 weeks and ended on March 28, 2015. For simplicity of disclosure, fiscal periods are referred to as ending on a calendar month end, even if the technical end of a fiscal period was not the last day of a calendar month. Thus, in this Proxy Statement, "fiscal 2016", "fiscal 2015", "fiscal 2014", "fiscal 2013", "fiscal 2012" and "fiscal 2011" refer to our fiscal years ending or ended (as the case may be) on March 31, 2016, 2015, 2014, 2013, 2012 and 2011, respectively.

Who can I call with any questions about my shares?

If you hold shares in street name, you may contact your broker. If you are a stockholder of record, you may call our transfer agent, Wells Fargo Shareowner Services, at (800) 468-9716 or (651) 450-4064 for international callers or visit their website at *www.wellsfargo.com/shareownerservices*.

BOARD OF DIRECTORS & CORPORATE GOVERNANCE

Each of the following directors has been nominated for re-election at the Annual Meeting. As set forth below, we believe each of these directors brings a valuable and unique perspective to the Board of Directors and has the necessary experience, skills and attributes to serve on the Board of Directors and contribute to its overall effectiveness.

Leonard S. Coleman
Director since 2001
Mr. Coleman, age 66, served as Senior Advisor to Major League Baseball from 1999 until 2005 and, from 2001 to 2002, was the Chairman of ARENACO, a subsidiary of Yankees/Nets. Mr. Coleman was President of The National League of Professional Baseball Clubs from 1994 to 1999, having previously served since 1992 as Executive Director, Market Development of Major League Baseball. Mr. Coleman also serves on the Board of Directors of Aramark Holdings Corp., Avis Budget Group and Omnicom Group Inc. and has served as a director of Churchill Downs Inc. and H.J. Heinz Corporation during the past five years.

Mr. Coleman brings a wealth of public sector, international and sports industry experience to the Board of Directors from his years of service on the boards of directors for numerous large, public companies and his involvement in diverse public-service organizations, as well as his extensive knowledge of the sports industry. Based on these experiences, qualifications and attributes, the Board of Directors has concluded that Mr. Coleman is qualified to serve as a director.

Jay C. Hoag
Director since 2011
Mr. Hoag, age 57, co-founded Technology Crossover Ventures, a leading provider of growth capital to technology companies, in 1995 and serves as its Founding General Partner. Prior to co-founding Technology Crossover Ventures, Mr. Hoag was a Managing Director at Chancellor Capital Management, where he spent more than 12 years as a technology-focused venture capitalist and fund manager. Mr. Hoag serves on the Board of Directors of Netflix, Inc., TechTarget, Inc. and Zillow Inc. and several private companies. Mr. Hoag also serves on the Board of Trustees of Northwestern University and Vanderbilt University, and on the Investment Advisory Board of the University of Michigan. Mr. Hoag holds a B.A. from Northwestern University and an M.B.A. from the University of Michigan.

As a venture capital investor, Mr. Hoag brings strategic insight and financial experience to the Board of Directors. He has evaluated, invested in and served as a board member on numerous companies, both public and private, and is familiar with a full range of corporate and board functions. His many years of experience in helping companies shape and implement strategy provide the Board of Directors with useful perspectives on matters such as risk management, corporate governance, talent selection and management. Based on these experiences, qualifications and attributes, the Board of Directors has concluded that Mr. Hoag is qualified to serve as a director.

Jeffrey T. Huber
Director since 2009
Mr. Huber, age 47, is Senior Vice President at Google Inc., where he has worked since 2003. From 2001 to 2003, Mr. Huber served as Vice President of Architecture and Systems Development at eBay Inc. Prior to joining eBay, Mr. Huber was Senior Vice President of Engineering at Excite@Home, where he worked from 1996 to 2001. Earlier in his career, he was a Technology Consultant with McKinsey & Company and founded a software development start-up. Mr. Huber also serves on the Board of Directors of Illumina, Inc. Mr. Huber holds a B.S. degree in Computer Engineering from the University of Illinois and a Masters degree from Harvard University.

Mr. Huber has extensive experience operating and managing consumer online companies, including relevant background and experience in large-scale online infrastructure and technology. Based on these experiences, qualifications and attributes, the Board of Directors has concluded that Mr. Huber is qualified to serve as a director.

Vivek Paul
Director since 2005
Mr. Paul, age 56, is a private investor. He founded KineticGlue, an enterprise social media company, in 2008, and the company was sold to BMC Software in 2013. From 2005 to 2008, Mr. Paul was a Partner at TPG (formerly Texas Pacific Group), a private equity investment firm. From 1999 to 2005, Mr. Paul served as Vice Chairman of the Board of Directors of Wipro, Ltd., a provider of integrated business, technology and process solutions, and Chief Executive Officer of Wipro Technologies, Wipro's global information technology, product engineering, and business process services segments. From 1996 to 1999, Mr. Paul was General Manager of the Global CT Business at General Electric's Medical Systems Division. From 1993 to 1995, he served as President and Chief Executive Officer of Wipro GE Medical Systems Limited. Mr. Paul holds a Bachelor of Engineering from the Birla Institute of Technology and Science, and an M.B.A. from the University of Massachusetts, Amherst. Mr. Paul serves as a Consulting Professor at Stanford University.

Mr. Paul brings to the Board of Directors his past experience as chief executive officer/general manager of large organizations, as an investor and as an entrepreneur. He has extensive international business knowledge, expertise in organizational leadership, technology, entrepreneurial thinking, as well as financial evaluation of business plans, and risk scenarios. Several of his team members at prior companies have gone on to become public company CEOs, and Mr. Paul brings valuable mentoring skills. Based on these experiences, qualifications and attributes, the Board of Directors has concluded that Mr. Paul is qualified to serve as a director.

Lawrence F. Probst III
Director since 1991, Chairman since 1994
Mr. Probst, age 65, has been our Chairman of the Board of Directors since July 1994. He was employed by EA from 1984 to September 2008 serving as our Chief Executive Officer from May 1991 until April 2007 and as President from 1991 until 1998. Mr. Probst also served as our Executive Chairman from March 2013 until December 2014. Mr. Probst serves as the Chairman of the Board of Directors of the U.S. Olympic Committee and is a member of the International Olympic Committee. Mr. Probst is also a director of Blackhawk Network Holdings, Inc. Mr. Probst holds a B.S. degree from the University of Delaware.

Mr. Probst served as the Company's Chief Executive Officer for more than 15 years and has served as the Chairman of the Board of Directors for over 20 years. Mr. Probst contributes to the Board of Directors his deep understanding of the Company's operational and strategic business goals and direct experience with Company and industry-specific opportunities and challenges. Based on these experiences, qualifications and attributes, the Board of Directors has concluded that Mr. Probst is qualified to serve as a director.

Richard A. Simonson
Director since 2006, Lead Director since 2009
Mr. Simonson, age 56, has served as Executive Vice President and Chief Financial Officer of Sabre Corporation since March 2013. Previously, Mr. Simonson served as President, Business Operations and Chief Financial Officer of Rearden Commerce from April 2011 through May 2012. From 2001 to 2010, Mr. Simonson held a number of executive positions at Nokia Corporation, including Executive Vice President, Head of Mobile Phones and Sourcing, Chief Financial Officer, and Vice President & Head of Customer Finance. Mr. Simonson is also a director of Silver Spring Networks. Mr. Simonson holds a B.S. degree from the Colorado School of Mines and an M.B.A. from Wharton School of Business at the University of Pennsylvania.

Mr. Simonson has extensive financial expertise, corporate governance and risk management experience. He also has extensive experience with the strategic and operational challenges of leading a global company. Based on these experiences, qualifications and attributes, the Board of Directors has concluded that Mr. Simonson is qualified to serve as a director.

Luis A. Ubiñas
Director since 2010
Mr. Ubiñas, age 52, served as President of the Ford Foundation from January 2008 to September 2013. Prior to joining the Ford Foundation, Mr. Ubiñas spent 18 years with McKinsey & Company, where he held various positions, including Managing Director of the firm's west coast media practice working with technology,

telecommunications and media companies. Mr. Ubiñas serves on the Advisory Committee of the Export-Import Bank of the United States, the Board of Trustees of the United Nations Fund for International Partnerships, and the boards of the New York Public Library and the Statue of Liberty-Ellis Island Foundation. Mr. Ubiñas also served as a director of Valassis Communications, Inc. during the past five years. He holds a B.A. degree from Harvard College and an M.B.A. from Harvard Business School, is a fellow of the American Academy of Arts and Sciences and a member of the Council on Foreign Relations.

Mr. Ubiñas has extensive experience in business management and operations from his years of overseeing more than $12 billion in assets and over $500 million in annual giving at the Ford Foundation. In addition, through his prior experience as a Director at McKinsey & Company, he has worked with technology, telecommunications and media companies in understanding the challenges and opportunities presented by mobile and other digital distribution platforms and applications. Mr. Ubiñas has worked extensively with companies managing the transition from physical to digital distribution and business models. Based on these experiences, qualifications and attributes, the Board of Directors has concluded that Mr. Ubiñas is qualified to serve as a director.

Denise F. Warren
Director since 2013
Ms. Warren, age 51, was named President of Digital, CEO of East Coast Publishing and Executive Vice President of Tribune Publishing Company in May 2015. Previously, Ms. Warren served in a number of executive positions at The New York Times Company from June 2005 through October 2014, including Executive Vice President of Digital Products and Services from March 2013 until October 2014, General Manager of NYTimes.com from December 2008 to March 2013, and as Chief Advertising Officer of The New York Times from June 2005 until March 2013. Ms. Warren holds a B.S. and management degree from Tulane University and an M.B.A. degree in communications and media management from Fordham University.

Ms. Warren has extensive experience in the media, technology and advertising sectors, including overseeing the growth and development of digital products and services to a wide consumer base. Based on these experiences, qualifications and attributes, the Board of Directors has concluded that Ms. Warren is qualified to serve as a director.

Andrew Wilson
Director since 2013
Mr. Wilson, age 40, has served as EA's Chief Executive Officer and as a director of EA since September 2013. Prior to his appointment as our Chief Executive Officer, Mr. Wilson held several positions within the Company since joining EA in May 2000, including Executive Vice President, EA SPORTS from August 2011 to September 2013, Senior Vice President, EA SPORTS from March 2010 to August 2011 and Senior Vice President Online from July 2009 to September 2010.

Mr. Wilson has served as the Company's Chief Executive Officer since September 2013. In addition to Mr. Wilson's extensive experience and knowledge of the Company and the industry, we believe it is crucial to have the perspective of the Company's Chief Executive Officer represented on the Board of Directors to provide direct insight into the Company's day-to-day operation and strategic vision. Based on these experiences, qualifications and attributes, the Board of Directors has concluded that Mr. Wilson is qualified to serve as a director.

DIRECTOR INDEPENDENCE

Our Board of Directors has determined that each of Mr. Coleman, Mr. Hoag, Mr. Huber, Mr. Paul, Mr. Simonson, Mr. Ubiñas and Ms. Warren qualifies as an "independent director" as that term is used in the NASDAQ Stock Market Rules. Mr. Probst, who served as our Executive Chairman through December 31, 2014, and Mr. Wilson, our CEO, do not qualify as independent.

In addition to the board-level standards for director independence, the directors who serve on the Nominating and Governance, Audit and Compensation Committees each satisfy standards established by the SEC and the NASDAQ Stock Market to qualify as "independent" for the purposes of membership on those committees.

BOARD OF DIRECTORS, BOARD MEETINGS, AND COMMITTEES

In fiscal 2015, the Board of Directors met six times and also acted by written consent. At each regularly scheduled meeting, the independent members of the Board of Directors meet in executive session separately without management present.

Board of Directors Leadership Structure

Mr. Wilson serves as our CEO and Mr. Probst serves as our Chairman. In addition, a Lead Director, elected by the independent directors, is responsible for chairing executive sessions of the Board of Directors and other meetings of the Board of Directors in the absence of the Chairman, serving as a liaison between the Chairman and the other independent directors, and overseeing the Board of Directors' stockholder communication policies and procedures (including, under appropriate circumstances, meeting with stockholders). Our Lead Director also may call meetings of the independent directors. Mr. Simonson has served as Lead Director since 2009. In May 2015, Mr. Ubiñas was chosen by our independent directors to serve as Lead Director following the Annual Meeting for a two-year term ending with our 2017 Annual Meeting of Stockholders, subject to Mr. Ubiñas' re-election to the Board of Directors at the Annual Meeting.

The Board of Directors believes that this leadership structure with Mr. Wilson serving as CEO, Mr. Probst serving as the Chairman and Mr. Ubiñas serving as Lead Director is the most appropriate leadership structure for the Company at this time. Given his 30 years of experience with the Company, more than 15 of which he served as CEO, Mr. Probst has invaluable knowledge regarding the Company and gaming industry and is uniquely positioned to lead the Board of Directors in its review of management's strategic plans. As Mr. Probst does not qualify as an independent director, the Company feels that it is beneficial for the effective functioning of the Board of Directors to have an independent Lead Director undertake the duties identified above.

Board Committees

The Board of Directors currently has a standing Audit Committee, Compensation Committee, and Nominating and Governance Committee. The Audit Committee, Compensation Committee, and Nominating and Governance Committee operate under written charters adopted by the Board. These charters are available in the Investor Relations section of our website at *http://investor.ea.com*.

In accordance with the Committee charters, and with current regulatory requirements, all members of these Committees are independent directors. During fiscal 2015, all nine of our directors standing for re-election attended or participated in at least 78% or more of the aggregate of (1) the number of meetings of the Board or Directors and (2) the number of meetings held by each Committee on which such director was a member. The members of the Committees are shown below:

Audit Committee:	Richard A. Simonson (Chair), Jeffrey T. Huber, and Denise F. Warren
Nominating and Governance Committee:	Luis A. Ubiñas (Chair) and Leonard S. Coleman
Compensation Committee:	Jay C. Hoag (Chair), Leonard S. Coleman and Vivek Paul

Audit Committee

The Audit Committee assists the Board of Directors in its oversight of the Company's financial reporting and is directly responsible for the appointment, compensation and oversight of our independent auditors. The Audit Committee is also responsible for additional matters, including establishing and maintaining complaint procedures with respect to internal and external concerns regarding accounting or auditing matters. The Audit Committee has the authority to obtain advice and assistance from outside advisors without seeking approval from the Board of Directors, and the Company will provide appropriate funding for payment of compensation to advisors engaged by the Audit Committee. The Audit Committee currently is comprised of three directors, each of whom in the opinion of the Board of Directors meets the independence requirements and the financial literacy standards of the NASDAQ Stock Market Rules, as well as the independence requirements of the SEC. The Board of Directors has determined that Mr. Simonson meets the criteria for an "audit committee financial expert" as set forth in applicable SEC rules. The Audit Committee met eight times in fiscal 2015. For further information about the Audit Committee, please see the "Report of the Audit Committee of the Board of Directors" below.

Nominating and Governance Committee

The Nominating and Governance Committee is responsible for recommending to the Board of Directors nominees for director and for appointing directors to Committees. The Nominating and Governance Committee also is responsible for reviewing developments in corporate governance, recommending formal governance standards to the Board of Directors, establishing the Board of Directors' criteria for selecting nominees for director and for reviewing from time to time the appropriate skills, characteristics and experience required of the Board of Directors as a whole, as well as its individual members, including such factors as business experience and diversity. In addition, the Nominating and Governance Committee is responsible for reviewing the performance of the CEO and for reviewing and ensuring the quality of the Company's succession plans, including with respect to CEO succession. The Nominating and Governance Committee manages the process for emergency planning in the event the CEO is unable to fulfill the responsibilities of the role and also periodically evaluates internal and external CEO candidates for succession planning purposes. The Nominating and Governance Committee also reviews with management diversity, corporate responsibility and sustainability issues affecting the Company. The Nominating and Governance Committee currently is comprised of two directors, each of whom in the opinion of the Board of Directors meets the independence requirements of the NSADAQ Stock Market Rules. The Nominating and Governance Committee met four times in fiscal 2015.

Compensation Committee

The Compensation Committee is responsible for setting the overall compensation strategy for the Company, determining the compensation of the CEO (via recommendation to the Board of Directors) and other executive officers, and overseeing the Company's bonus and equity incentive plans and other benefit plans. For further information about the role of our executive officers in recommending the amount or form of executive compensation, please see "The Process for Determining our NEOs' Compensation" in the "Compensation Discussion and Analysis" section of this Proxy Statement. In addition, the Compensation Committee is responsible for reviewing and recommending to the Board of Directors compensation for non-employee directors. The Compensation Committee is currently comprised of three directors, each of whom in the opinion of the Board of Directors meets the independence requirements of the NASDAQ stock market rules and qualifies as an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code, as amended. The Compensation Committee may delegate any of its authority and duties to subcommittees, individual committee members or management, as it deems appropriate in accordance with applicable laws, rules and regulations. During fiscal 2015, the Compensation Committee met five times and also acted by written consent.

The Compensation Committee has the authority to engage the services of outside advisors, after first conducting an independence assessment in accordance with applicable laws, regulations and exchange listing standards. During fiscal 2015, the Compensation Committee engaged and directly retained Compensia, Inc., a national compensation consulting firm, to assist with the Compensation Committee's analysis and review of the compensation of our executive officers and other aspects of our total compensation strategy. Compensia performed no services for the Company and its management team during fiscal 2015. The Compensation Committee has reviewed the independence of Compensia and determined that Compensia's engagement did not raise any conflicts of interest.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

During fiscal 2015, no member of the Compensation Committee was an employee or current or former officer of EA. No EA officer serves or has served since the beginning of fiscal 2015 as a member of the board of directors or the compensation committee of a company at which a member of EA's Board and Compensation Committee is an employee or officer.

CONSIDERATION OF DIRECTOR NOMINEES

In evaluating nominees for director to recommend to the Board of Directors, the Nominating and Governance Committee will take into account many factors within the context of the characteristics and the needs of the Board of Directors as a whole. While the specific needs of the Board of Directors may change from time to time, all nominees for director are considered on the basis of the following minimum qualifications:

- The highest level of personal and professional ethics and integrity, including a commitment to EA's values;
- Practical wisdom and mature judgment;
- Significant leadership experience in business, entertainment, technology, finance, corporate governance, public interest or other disciplines relevant to EA's long-term success;
- The ability to gain an in-depth understanding of EA's business; and
- A willingness to represent the best interests of all EA stockholders and objectively appraise management's performance.

While there is no formal policy with regard to diversity, when considering candidates as potential members of the Board of Directors, the Nominating and Governance Committee considers the skills, background and experience of each candidate to evaluate his or her ability to contribute diverse perspectives to the Board of Directors. The goal of the Nominating and Governance Committee is to select candidates that have complementary and diverse perspectives, which together contribute to the Board of Directors' effectiveness as a whole. The primary consideration is to identify candidates who will best fulfill the Board of Directors' and the Company's needs at the time of the search. Therefore, the Nominating and Governance Committee does not believe it is appropriate to either nominate or exclude from nomination an individual based on gender, ethnicity, race, age, or similar factors.

Stockholder Recommendations and Nominees

The Nominating and Governance Committee will evaluate candidates proposed by our stockholders under criteria similar to the evaluation of other candidates, except that it also may consider as one of the factors in its evaluation, the amount of EA voting stock held by the stockholder and the length of time the stockholder has held such stock. Stockholders wishing to submit candidates for consideration by the Nominating and Governance Committee may do so by writing to EA's Corporate Secretary at Electronic Arts Inc., 209 Redwood Shores Parkway, Redwood City, CA 94065, Attn: Director Nominations. To be considered by the Nominating and Governance Committee in connection with EA's annual meeting of stockholders, recommendations must be submitted in writing to EA's Corporate Secretary not less than 120 calendar days prior to the anniversary of the date on which EA's proxy statement was released to stockholders in connection with the previous year's annual meeting (on or about February 26, 2016, for our 2016 Annual Meeting of our Stockholders (the "2016 Annual Meeting").

Stockholders wishing to recommend a candidate for nomination to the Nominating and Governance Committee should review Section 1.5 of our bylaws regarding the information required when recommending a candidate. The Nominating and Governance Committee may request any additional information reasonably necessary to assist it in assessing a proposed candidate. Our amended and restated bylaws are included as an exhibit to a Current Report on Form 8-K we filed with the SEC on August 1, 2013, which you may access through the SEC's electronic data system called EDGAR at *www.sec.gov*. You may also request a copy of our amended and restated bylaws by contacting our Corporate Secretary at the address above.

GLOBAL CODE OF CONDUCT AND CORPORATE GOVERNANCE GUIDELINES

We have adopted a Global Code of Conduct that applies to our directors, principal executive officer, principal financial officer, principal accounting officer, and other senior financial officers, as well as Corporate Governance Guidelines which, along with our organizational documents and committee charters, form the framework of our corporate governance. Our Global Code of Conduct, Corporate Governance Guidelines and Committee Charters are available in the Investor Relations section of our website at *http://investor.ea.com*. From time to time, we post amendments to our Global Code of Conduct in the Investor Relations section of our website. Copies of our Committee charters and Global Code of Conduct are available without charge by contacting our Investor Relations department at (650) 628-7352.

OVERSIGHT OF RISK ISSUES

The full Board of Directors and each of the Committees are responsible for managing different forms of risk. Business risks are reviewed by the full Board of Directors in conjunction with management. Risks related to investments, financial reporting, internal controls and procedures, and compliance issues are reviewed regularly by the Audit Committee, which oversees the financial reporting, global audit and legal compliance functions. The Nominating and Governance Committee reviews risks related to director and CEO succession.

Compensation-related risks are reviewed by the Compensation Committee with members of management responsible for structuring the Company's compensation programs. As part of those risk oversight efforts, we evaluated our compensation programs to determine whether the design and operation of our policies and practices could encourage executives or employees to take excessive or inappropriate risks that would be reasonably likely to have a material adverse effect on the Company and have concluded that they do not.

In making that determination, the Compensation Committee considered the design, size, and scope of our cash and equity incentive programs and program features that mitigate against potential risks, such as payout caps, cash and equity award clawbacks, the quality and mix of performance-based and "at risk" compensation, and, with regard to our equity incentive programs, the stock ownership requirements applicable to our executives. The Compensation Committee reviewed the results of our evaluation with management and the Committee's consultant, Compensia. The Compensation Committee concluded that our compensation policies and practices strike an appropriate balance of risk and reward in relation to our overall business strategy, and do not create risks that are reasonably likely to have a material adverse effect on the Company.

In addition, the Compensation Committee considered risks associated with the retention of employees given the Company's stock price performance during fiscal 2014 and fiscal 2015 and the structure and vesting schedules of equity awards previously granted to employees.

The "Compensation Discussion and Analysis" section below generally describes the compensation policies and practices applicable to our named executive officers.

RELATED PERSON TRANSACTIONS POLICY

Our Board of Directors has adopted a written Related Person Transactions Policy. The purpose of the policy is to describe the procedures used to identify, review, approve or ratify and, if necessary, disclose "related-person transactions" involving EA or its subsidiaries and related persons. Under this policy, a related person is a director, officer, nominee for director, greater than 5% stockholder or entity in which any of the foregoing persons is either employed in certain positions, or owns more than a 10% interest, or an immediate family member of any of the foregoing, in each case as of the last completed fiscal year. We review any transaction or series of transactions in which EA or any subsidiary is a participant, the amount of which exceeds $120,000 and in which any related person has a direct or indirect interest as well as any transaction for which EA's Global Code of Conduct would require approval of the Board of Directors.

Once a related person transaction has been identified, the Audit Committee (if the transaction involves an executive officer) or the Nominating and Governance Committee (if the transaction involves a director) are responsible for reviewing the transaction at the next scheduled meeting of such committee. If it is not practicable or desirable to wait until the next scheduled meeting, the chairperson of the applicable committee considers the matter and reports back to the relevant committee at the next scheduled meeting. In determining whether to approve or ratify a related person transaction, the Audit Committee or Nominating and Governance Committee (or the relevant chairperson of such committee) considers all of the relevant facts and circumstances available and related party transactions are only approved if they are in, or not inconsistent with, the best interests of EA and its stockholders. No member of the Audit Committee or Nominating and Governance Committee is permitted to participate in any review, consideration or approval of any related person transaction with respect to which such member or any of his or her immediate family members is the related person.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Scott Probst

Scott Probst, the son of our Chairman, has been employed by the Company since 2003. In fiscal 2015, Mr. Probst was promoted to executive producer and the aggregate value of his total compensation in fiscal 2015, including base salary, bonus award, and grant-date value of equity awards, was an amount consistent with the total compensation provided to other EA employees in similar positions and less than $500,000. The Compensation Committee, on behalf of the Nominating and Governance Committee, reviews the compensation decisions involving Scott Probst in accordance with our Related Person Transactions Policy.

Commercial Agreements with Google

We enter into commercial dealings with Google Inc. that we consider to be arms-length, including arrangements to provide Android applications on the Google Play platform and utilizing a variety of Google's advertising and analytics services. Mr. Huber, one of our directors, is a Senior Vice President at Google, working on projects in the Google X division. Mr. Huber has no involvement in Google's commercial dealings with EA and has no material direct or indirect interest in these transactions. Therefore, we do not consider these dealings to be "related person transactions". Our Board of Directors considered our dealings with Google in reaching its determination that Mr. Huber is an independent director.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

We have adopted procedures to assist EA's directors and officers in complying with the requirements of Section 16(a) of the Exchange Act, which include assisting officers and directors in preparing forms for filing. To EA's knowledge, based solely upon review of such reports furnished to us and written representations that no other reports were required, we believe that all Section 16(a) filing requirements applicable to our officers and directors were timely met during fiscal 2015.

DIRECTOR ATTENDANCE AT ANNUAL MEETING

Our directors are expected to make every effort to attend our annual meeting of stockholders. Eight of the nine directors who were elected at the 2014 Annual Meeting of Stockholders attended the meeting.

STOCKHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS

EA stockholders may communicate with the Board of Directors as a whole, with a committee of the Board of Directors, or with an individual director by sending a letter to EA's Corporate Secretary at Electronic Arts Inc., 209 Redwood Shores Parkway, Redwood City, CA 94065, or by sending an email to StockholderCommunications@ea.com. Our Corporate Secretary will forward to the Board of Directors all communications that are not of a commercial or frivolous nature or otherwise inappropriate for their consideration. For further information regarding the submission of stockholder communications, please visit the Investor Relations section of our website at *http://investor.ea.com*.

STOCKHOLDER PROPOSALS FOR 2016 ANNUAL MEETING

If you would like us to consider a proposal to be included in our 2016 proxy statement and proxy card, you must deliver it to the Company's Corporate Secretary at our principal executive office no later than February 26, 2016.

Stockholders who otherwise wish to present a proposal at the 2016 Annual Meeting must deliver written notice of the proposal to our Corporate Secretary at Electronic Arts Inc., 209 Redwood Shores Parkway, Redwood City, CA 94065, by the close of business no earlier than April 16, 2016 and no later than May 16, 2016 (provided, however, that if the 2016 Annual Meeting is held earlier than July 15, 2016 or later than September 13, 2016, proposals must be received no later than the close of business on the later of the 90th day prior to the 2016 Annual Meeting or the 10th day following the day on which public announcement of the 2016 Annual Meeting is first made). The submission must include certain information concerning the stockholder and the proposal, as specified in the Company's amended and restated bylaws. Our amended and restated bylaws are included as an exhibit to a Current Report on Form 8-K we filed with the SEC on August 1, 2013, which you may access through the SEC's electronic data system called EDGAR at *www.sec.gov*. You may also request a copy of our amended and restated bylaws by contacting our Corporate Secretary at the address above.

OTHER BUSINESS

The Board of Directors does not know of any other matter that will be presented for consideration at the Annual Meeting except as specified in the notice of the meeting. If any other matter does properly come before the Annual Meeting, or at any adjournment or postponement of the Annual Meeting, it is intended that the proxies will be voted in respect thereof in accordance with the judgment of the persons voting the proxies.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The following Report of the Audit Committee shall not be deemed to be "soliciting material" or to be "filed" with the Securities and Exchange Commission nor shall this information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended except to the extent that EA specifically incorporates it by reference into a filing.

The Audit Committee of the Board of Directors operates under a written charter, which was most recently amended in May 2014. The Audit Committee is currently comprised of three non-employee directors, each of whom in the opinion of the Board of Directors meets the current independence requirements and financial literacy standards of the NASDAQ Stock Market Rules, as well as the independence requirements of the Securities and Exchange Commission. In fiscal 2015, the Audit Committee consisted of Richard A. Simonson, Jeffrey T. Huber and Denise F. Warren. The Board of Directors has determined that Mr. Simonson meets the criteria for an "audit committee financial expert" as set forth in applicable SEC rules.

The Company's management is primarily responsible for the preparation, presentation and integrity of the Company's financial statements. EA's independent registered public accounting firm, KPMG LLP ("independent auditors"), is responsible for performing an independent audit of the Company's (i) financial statements and expressing an opinion as to the conformity of the financial statements with U.S. generally accepted accounting principles, and (ii) internal control over financial reporting in accordance with the auditing standards of the Public Company Accounting Oversight Board (the "PCAOB") and issuing a report thereon.

The function of the Audit Committee is to assist the Board of Directors in its oversight responsibilities relating to the integrity of EA's accounting policies, internal control and financial reporting processes. The Audit Committee reviews EA's quarterly and annual financial statements prior to public earnings releases and submission to the SEC; reviews and evaluates the performance of EA's internal audit function; reviews and evaluates the performance of EA's independent auditors; consults with the independent auditors and EA's internal audit function regarding internal controls and the integrity of the Company's financial statements; assesses the independence of the independent auditors; and is responsible for the selection of the independent auditors. In this context, the Audit Committee has met and held discussions with members of management, EA's internal audit function and the independent auditors. Company management has represented to the Audit Committee that the Company's consolidated financial statements for the most recently completed fiscal year were prepared in accordance with accounting principles generally accepted in the United States, and the Audit Committee has reviewed and discussed the consolidated financial statements with management and the independent auditors. Company management also has represented to the Audit Committee that the Company's internal control over financial reporting was effective as of the end of the Company's most recently-completed fiscal year, and the Audit Committee has reviewed and discussed the Company's internal control over financial reporting with management and the independent auditors. The Audit Committee also discussed with the independent auditors matters required to be discussed by PCAOB Auditing Standard No. 16, *Communications with Audit Committees*, including the quality and acceptability of the Company's financial reporting and internal control processes. The Audit Committee also has discussed with the Company's independent auditors the overall scope and plans for their annual audit and reviewed the results of that audit with management and the independent auditors.

In addition, the Audit Committee received and reviewed the written disclosures and the letter from the independent auditors required by the applicable requirements of the PCAOB regarding their communications with the Audit Committee concerning independence, and has discussed with the independent auditors the auditors' independence from the Company and its management. The Audit Committee also has considered whether the provision of any non-audit services (as described on page 53 of this Proxy Statement under the heading "Proposal' 3: Ratification of the Appointment of KPMG LLP, Independent Registered Public Accounting Firm" — "Fees of Independent Auditors") and the employment of former KPMG LLP employees by the Company are compatible with maintaining the independence of KPMG LLP.

The members of the Audit Committee are not engaged in the practice of auditing or accounting. In performing its functions, the Audit Committee necessarily relies on the work and assurances of the Company's management and independent auditors.

In reliance on the reviews and discussions referred to in this report and in light of its role and responsibilities, the Audit Committee recommended to the Board of Directors that the Company's audited financial statements for fiscal year 2015 be included for filing with the SEC in the Company's Annual Report. The Audit Committee has also approved the selection of KPMG LLP as the Company's independent auditors for fiscal 2016.

AUDIT COMMITTEE

Richard A. Simonson (Chairman)

Jeffrey T. Huber

Denise F. Warren

DIRECTOR COMPENSATION AND STOCK OWNERSHIP GUIDELINES

Our Compensation Committee is responsible for reviewing and recommending to our Board of Directors the compensation paid to our non-employee directors. Historically, our non-employee directors have been paid a mix of cash and equity compensation for their service as directors.

Cash Compensation

The table below reflects the annualized components of cash compensation for non-employee directors that were in place during fiscal 2015. In May 2014, the Board approved an increase in the annual cash retainer for non-employee directors from $50,000 to $60,000 and also approved increases in respect of serving on or chairing each of our respective Committees. Because our Board year does not correspond to our fiscal year, actual amounts paid during fiscal 2015 were pro-rated based on the annualized figures in the following table. For more information regarding the specific compensation received by each non-employee director during fiscal 2015, see the "Fiscal 2015 Director Compensation Table" table below.

Compensation Component	Fiscal 2015 (Apr. to July)	Fiscal 2015 (Aug. to March)
Annual Retainer	$50,000	$60,000
Service on the Audit Committee	$10,000	$15,000
Chair of the Audit Committee	$10,000	$15,000
Service on the Compensation Committee	$ 7,500	$12,500
Chair of the Compensation Committee	$ 7,500	$12,500
Service on the Nominating and Governance Committee	$ 7,500	$10,000
Chair of the Nominating and Governance Committee	$ 2,500	$10,000
Chairman of the Board of Directors	$50,000	$50,000
Service as Lead Director	$25,000	$25,000

In addition, during fiscal 2015 individual directors were eligible to earn up to $1,000 per day, with the approval of the Board of Directors, for special assignments, which may include providing oversight to management in such areas as sales, marketing, public relations, technology and finance (provided, however, no independent director is eligible for a special assignment if the assignment or payment for the assignment would prevent the director from being considered independent under applicable NASDAQ Stock Market or SEC rules). No directors earned any compensation for special assignments during fiscal 2015.

Stock Compensation

In fiscal 2015, each of our non-employee directors who were re-elected at the 2014 Annual Meeting of Stockholders on July 31, 2014 were granted an equity award with a grant date fair value of $260,000. This equity award was comprised of 50% RSUs and 50% stock options, which will vest in their entirety on July 31, 2015.

Under the 2000 Equity Incentive Plan, non-employee directors may elect to receive all or part of their cash compensation in the form of common stock. As an incentive for our non-employee directors to increase their stock ownership in EA, non-employee directors making such an election receive shares of common stock valued at 110% of the cash compensation they would have otherwise received. These shares are awarded via the grant and immediate exercise of a stock option having an exercise price equal to the fair market value of our common stock on the date of grant, which is the first trading day of each quarter of the Board year. In fiscal 2015, Mr. Hoag, Mr. Huber, Mr. Paul and Mr. Simonson made the election to receive all of their cash compensation in the form of our common stock.

In February 2015, our Board of Directors approved a change to the stock compensation granted to directors following election or re-election to the Board of Directors. Effective with grants made following the Annual Meeting and pursuant to the terms of the 2000 Equity Incentive Plan, each director will be granted an equity award comprised of 100% RSUs, which will vest in their entirety upon the earlier of one year from the date of grant or the date of the 2016 Annual Meeting. The grant date fair value of the equity award will remain $260,000. For additional information regarding the valuation methodology for RSUs, see Note 15, "Stock Based Compensation and Employee Benefit Plans", to the Consolidated Financial Statements in our Annual Report.

Other Benefits

Non-employee directors, who are not employed with any other company, are offered an opportunity to purchase certain EA health, dental and vision insurance while serving as a Board of Directors member with the option for the continuation of benefits upon the expiration of their Board of Directors term. Participating directors pay 100% of their own insurance premiums.

Deferred Compensation Plan

We maintain a Deferred Compensation Plan ("DCP") that allows our directors and certain employees, including our named executive officers, to defer receipt of their director fees or base salary, as the case may be, into cash accounts that mirror the gains and/or losses of several different investment funds, which correspond to the funds we have selected for our 401(k) plan. Director participants may defer up to 100% of their director fees until the date(s) they have specified. We are not required to make any contributions to the DCP and did not do so in fiscal 2015.

Stock Ownership Guidelines

Each non-employee director is required, within five years of becoming a director, to own shares of EA common stock or vested, but deferred, RSUs having a value of at least five years' annual retainer for service on the Board of Directors. As of March 31, 2015, each of our directors had either fulfilled their ownership requirements or had not yet reached five years of service. Mr. Hoag is currently eligible to satisfy his ownership requirements through holdings of EA stock by Technology Crossover Ventures.

FISCAL 2015 DIRECTOR COMPENSATION TABLE

The following table shows compensation information for each of our non-employee directors during fiscal 2015. The compensation paid to Mr. Wilson is shown under *"Fiscal 2015 Summary Compensation Table"* found on page 39 of this Proxy Statement and the related explanatory tables. Mr. Wilson does not receive any compensation for his service as a member of the Board.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(2)	Option Awards ($)(3)(4)	Total ($)
Leonard S. Coleman	$78,125	$129,998	$129,998	$338,121
Jay C. Hoag	—	$129,998	$217,976	$347,974
Jeffrey T. Huber	—	$129,998	$208,341	$338,339
Vivek Paul	—	$129,998	$205,620	$335,618
Lawrence F. Probst III(1)	$36,667	$129,998	$129,998	$296,663
Richard A. Simonson	—	$129,998	$250,969	$380,967
Luis A. Ubiñas	$75,000	$129,998	$129,998	$334,996
Denise F. Warren	$71,250	$129,998	$129,998	$331,246

(1) Mr. Probst was employed by the Company as our Executive Chairman until December 31, 2015 and did not receive cash compensation for his service on the Board of Directors while he was an employee. Mr. Probst's cash compensation for his service on the Board of Directors was pro-rated from January 1, 2015 through March 28, 2015 (the last day of fiscal 2015). In addition to the annual equity award Mr. Probst received upon his re-election at our 2014 Annual Meeting of the Stockholders, which is reflected above, Mr. Probst also received a one-time equity award on June 16, 2014 in recognition for his service to the Company as Executive Chairman, which is not reflected above. This one-time equity award had an aggregate grant date fair value of $1,532,413 and was comprised of RSUs with a grant date fair value equal to 50% of the award and a non-qualified stock option to purchase EA common stock with a grant date fair value equal to 50% of the award.

(2) Represents the aggregate grant date fair value of RSUs granted in fiscal 2015 and calculated based on a closing price of $33.60 for our common stock on the date of grant, July 31, 2014. For additional information regarding the valuation methodology for RSUs, see Note 15, "Stock-Based Compensation and Employee Benefit Plans", to the Consolidated Financial Statements in our Annual Report. The aggregate

number of unvested RSUs held by each of our non-employee directors as of March 28, 2015 (the last day of fiscal 2015) was as follows: Mr. Coleman, 3,869; Mr. Hoag, 3,869; Mr. Huber, 3,869; Mr. Paul, 3,869; Mr. Probst, 25,331, Mr. Simonson, 3,869; Mr. Ubiñas, 3,869; and Ms. Warren, 3,869.

(3) Represents the grant date fair value of $129,998 for stock options granted in fiscal 2015 to each of our directors upon their re-election at our 2014 Annual Meeting of the Stockholders, as well as the grant date fair value of stock options received by certain of our non-employee directors who elect to receive all or part of their cash compensation for a given quarter of the Board year in the form of EA common stock which is granted in the form of a stock option with the terms detailed above. For additional information on the valuation methodology and assumptions used to calculate the fair value of stock options, see Note 15 "Stock-Based Compensation and Employee Benefit Plans" of the Consolidated Financial Statements in our Annual Report. The aggregate number of unexercised stock options held by our non-employee directors as of March 28, 2015 was as follows: Mr. Coleman, 57,072; Mr. Hoag, 11,872; Mr. Huber 31,472; Mr. Paul, 72,905; Mr. Probst, 317,961, Mr. Simonson, 62,072; Mr. Ubiñas, 11,872; and Ms. Warren, 11,872.

(4) As described above, non-employee directors may elect to receive all or part of their cash compensation in the form of common stock, and directors making such an election receive common stock valued at 110% of the cash compensation they would have otherwise received. These shares are awarded via the grant and immediate exercise of a stock option having an exercise price equal to the fair market value of our common stock on the date of grant. The following table presents information regarding the shares granted to each director during fiscal 2015 who elected to receive all or part of their cash compensation in the form of common stock:

Name	Grant Date	Exercise Price ($)	Shares Subject to Immediately Exercised Stock Option Grants	Grant Date Fair Value ($)
Jay C. Hoag	5/1/2014	28.74	622	17,876
	8/1/2014	33.71	694	23,395
	11/3/2014	40.96	570	23,347
	2/2/2015	54.97	425	23,360
				87,978
Jeffrey T. Huber	5/1/2014	28.74	574	16,497
	8/1/2014	33.71	612	20,631
	11/3/2014	40.96	503	20,603
	2/2/2015	54.97	375	20,612
				78,343
Vivek Paul	5/1/2014	28.74	550	15,807
	8/1/2014	33.71	592	19,956
	11/3/2014	40.96	486	19,907
	2/2/2015	54.97	363	19,952
				75,622
Richard A. Simonson	5/1/2014	28.74	909	26,125
	8/1/2014	33.71	938	31,620
	11/3/2014	40.96	772	31,621
	2/2/2015	54.97	575	31,605
				120,971

Proxy Statement

COMPENSATION DISCUSSION AND ANALYSIS

OVERVIEW

Our Compensation Discussion and Analysis ("CD&A") describes and discusses the fiscal 2015 compensation paid to our named executive officers ("NEOs"), and is organized into six sections:

- Executive Summary
- Compensation Principles and Say on Pay Vote
- The Process for Determining Our NEOs' Compensation
- Our NEOs' Fiscal 2015 Compensation
- Our Elements of Pay
- Other Compensation Information

EXECUTIVE SUMMARY

Fiscal 2015 Summary of EA's Business

Fiscal 2015 was a year of exceptional performance for EA. Our core strategies delivered award-winning games and services to our players and deep player engagement. This, together with strong execution, generated excellent financial results for the Company. In addition, for fiscal year 2015, we were the #1 publisher on Xbox One and PlayStation 4 combined.

We accomplished these results while controlling operating expenses through disciplined cost management. Our non-GAAP financial results reflect these accomplishments: we exceeded our net revenue and earnings per share guidance, drove higher gross margins, increased our cash provided by operations and invested in new products and services for the future. In fiscal 2015, our share price increased by 104%, making us the 4th best performing stock in the S&P 500 Index over that time period. As part of our commitment to return value to our stockholders, we also utilized approximately $337 million to repurchase our common stock in fiscal 2015, and, in May 2015 we replaced our existing share repurchase authorization with a new $1 billion program.

Financial and Operating Highlights

- We generated $4.32 billion in non-GAAP net revenue and delivered $2.51 in non-GAAP diluted earnings per share.
- Our non-GAAP digital net revenue increased to $2.23 billion in fiscal 2015 and represented over half of our total non-GAAP net revenue for the first time in Company history.
- We delivered non-GAAP net income of $806 million and operating cash flow of $1.07 billion, both records for a fiscal year.
- Our non-GAAP operating profit margins increased to nearly 25% from 18%.
- Non-GAAP mobile net revenue of $524 million was a record for a fiscal year.
- *Dragon Age: Inquisition*, which launched in November 2014, has garnered more than 100 "Game of the Year" awards from media outlets including IGN, Game Informer and the Associated Press.

On a GAAP basis in fiscal 2015, we delivered net revenue of $4.52 billion, diluted earnings per share of $2.69, digital net revenue of $2.20 billion (49% of our total net revenue), net income of $875 million and mobile net revenue of $501 million. Our fiscal 2015 GAAP operating income was $948 million, creating GAAP operating profit margins of 21%. Appendix A to this Proxy statement includes a reconciliation of the non-GAAP financial measures referenced above to the most directly comparable GAAP financial measures.

The financial performance, operational achievements and other fiscal year events summarized above provide context for the compensation decisions made by the Compensation Committee and Board in fiscal 2015.

COMPENSATION PRINCIPLES AND SAY ON PAY VOTE

Compensation Principles — Promoting Pay-for-Performance

The design of our compensation programs is guided by a compensation philosophy based on three core principles intended to promote a pay-for-performance approach to executive compensation:

- **Principle 1 — Cash Compensation**: A significant portion of each NEO's cash compensation should be at risk based on the annual financial and operational performance of the Company, in addition to the NEO's individual performance;
- **Principle 2 — Equity Compensation**: A significant portion of each NEO's total compensation should be provided in the form of long-term equity to enhance alignment between the interests of our NEOs and our stockholders and to promote long-term retention of a strong leadership team in an industry that is highly competitive for executive talent; and
- **Principle 3 — Target Total Direct Compensation**: The target total direct compensation package for each NEO should be consistent with market practices for executive talent, and reflect each NEO's individual experience, responsibilities and performance.

2014 Say On Pay Vote, Our Investor Outreach Program and Resulting Compensation Changes

We value the feedback of our stockholders. In connection with the say on pay vote at our 2014 Annual Meeting, our directors and management spoke with stockholders representing approximately 53% of our stock to discuss our executive compensation programs as part of our ongoing stockholder outreach. The EA participants in these meetings included the Chairman of our Compensation Committee, our Chief Financial Officer, Chief Talent Officer, Head of Investor Relations and other members of our compensation and investor relations teams. We heard from these stockholders that they were concerned with the one-time grant to Mr. Wilson during fiscal 2014 of a non-qualified option to purchase 1,000,000 shares of our common stock in connection with his appointment as our CEO. Several stockholders felt that this equity grant did not sufficiently promote a pay-for-performance incentive for Mr. Wilson. Further, at the beginning of fiscal 2015 (i.e., May 2014), we included stock options in the annual equity awards granted to our NEOs, which reduced from 50% to 25% the percentage of performance-based restricted stock units ("PRSUs") included in the equity mix, and stockholders expressed their concern with this practice.

The Compensation Committee considered this input, along with a wide variety of other factors, and made changes to our executive compensation program. These changes, which have been implemented for our fiscal year 2016 annual equity awards, eliminated stock options from the annual equity awards granted to our executive officers and increased the percentage of PRSUs from 25% to 50% with vesting tied to the Company's total stockholder return ("TSR") over one-, two- and three-year periods; the remaining 50% of the annual equity award is granted in time-based RSUs ("RSUs") in order to balance pay-for-performance and retention considerations. In addition, the Board and the Compensation Committee added a cash flow metric to the financial objectives of our NEOs' fiscal 2016 cash bonuses.

The Compensation Committee and the Board are committed to maintaining a pay-for-performance alignment in our executive compensation programs and continue to solicit feedback from our stockholders regarding our programs and practices.

THE PROCESS FOR DETERMINING OUR NEOS' COMPENSATION

Role of the Board, Compensation Committee and Management

Our Board approves the target total direct compensation of and makes compensation decisions for our CEO, in consultation with the Compensation Committee and the Compensation Committee's independent compensation consultant, Compensia. Our Compensation Committee approves the target total direct compensation and makes compensation decisions for all other NEOs after input, at the Compensation Committee's request, from Mr. Wilson, our Chief Talent Officer, and Compensia.

Compensation decisions made by the Board and the Compensation Committee are based on several factors, including the Company's financial performance, the financial and operating performance of each NEO's business unit (if applicable), individual performance, market trends, and other factors unique to each individual. The impact of the Company's financial performance and individual considerations in our fiscal 2015 compensation decisions are detailed in the section of this CD&A entitled "Our NEOs' Fiscal 2015 Compensation." The Compensation Committee and the Board also reference certain market-based considerations, such as peer group data, benchmarking and percentiles when making compensation decisions.

Selection and Use of Peer Group

To assess market compensation practices, each year the Compensation Committee selects a group of comparable companies ("peer group") to use as a reference for compensation decisions. Our peer group comprises companies across related industries, with comparable revenue, market capitalization, geographic markets, financial performance and expected growth rates. In the third quarter of fiscal 2014 (November 2013), the Committee selected the following peer group to use as a reference for fiscal 2015 compensation decisions.

FISCAL 2015 PEER GROUP

Video Game	Technology/Internet	Entertainment	Toys/Games
Activision Blizzard	Adobe Systems	AMC Networks Inc.	Hasbro
Zynga	Autodesk	Discovery Communications	Mattel
	Expedia	Lions Gate Entertainment	
	IAC/Interactive Corp.		
	Intuit		
	LinkedIn Corporation		
	Priceline		
	Salesforce.com		
	Symantec		
	Yahoo!		

In the third quarter of fiscal 2015 (November 2014), the Committee assessed this peer group for use in benchmarking fiscal 2016 compensation decisions and determined that it was still an appropriate representation of comparable companies, and did not make any changes to the peer group.

Compensation Benchmarking and the Role of Consultants

In February 2014, Compensia conducted a comprehensive analysis of our executive compensation programs using publicly available compensation information on our peer group and data from the Radford Global Technology Survey. The analysis included a comparison of the base salary, target cash compensation, long-term incentives and target total direct compensation of each of our senior vice-president level positions and above against similar positions in our peer group. Each compensation element was evaluated against peer group compensation at multiple percentile levels. Where sufficient market data for our peer group was not available, Compensia used data from a broader group of similarly sized technology companies. Compensia provided the Compensation Committee with its findings in February 2014 to be used as a reference for making compensation decisions for fiscal 2015.

Use of Percentiles

When setting the fiscal 2015 base salaries and bonus opportunities for our NEOs, the Committee references the 50^{th} to 75^{th} percentiles of the market range of comparable companies, and for target guidelines for annual equity awards, we reference the 75^{th} percentile. While we consider each component with respect to this data, the actual base salary, bonus, and equity compensation awarded to an NEO may be above or below these levels and is determined based on our financial performance, individual performance, market trends and other factors unique to each individual.

The Compensation Committee also considers the aggregate value of all three target total direct compensation components (i.e., base salary, bonus and annual equity awards), and references the 50th to 75th percentiles of the market for total direct compensation. When necessary for new hires, retention, succession planning, or recognition of outstanding performance, the Compensation Committee may approve exceptional compensation for select key executives that could result in target total direct compensation above our referenced range.

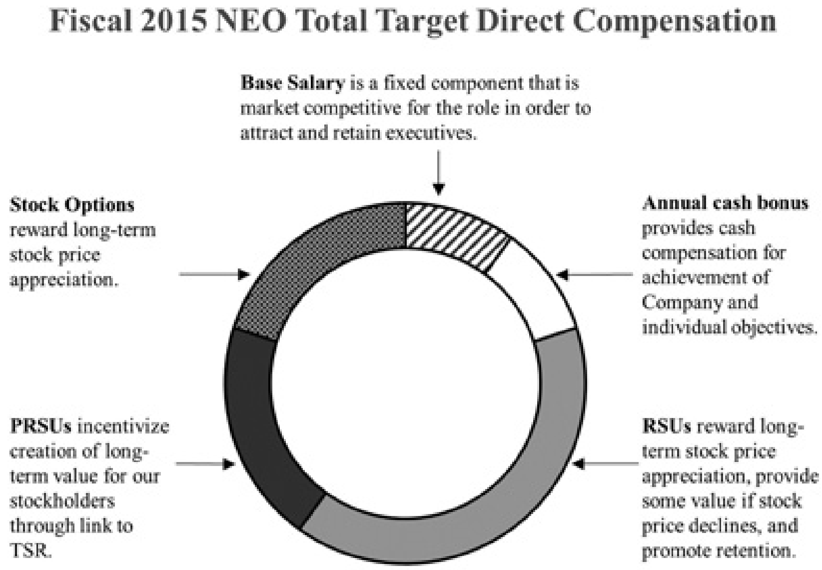
OUR NEOS' FISCAL 2015 COMPENSATION

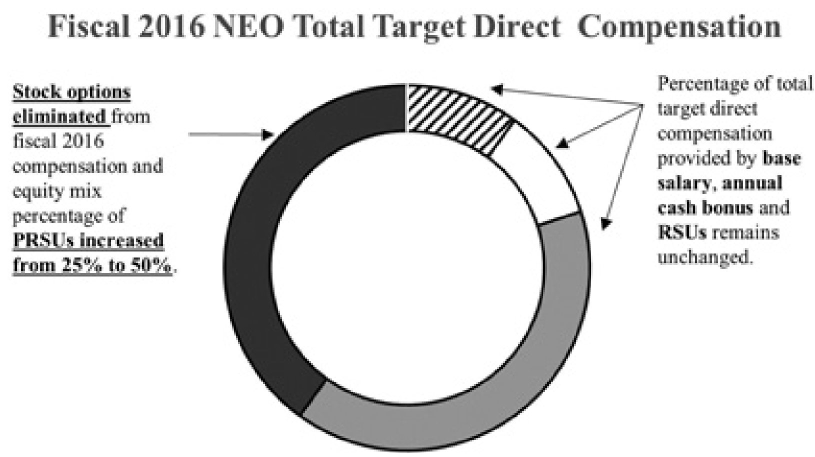
Our NEOs for fiscal 2015 were as follows:

- **Andrew Wilson**, our Chief Executive Officer;
- **Blake Jorgensen**, our Executive Vice President and Chief Financial Officer;
- **Patrick Söderlund**, our Executive Vice President, EA Studios;
- **Peter Moore**, our Executive Vice President and Chief Operating Officer; and
- **Kenneth Moss**, our Executive Vice President and Chief Technology Officer.

In July 2014, we added Kenneth Moss to our executive leadership team as our Chief Technology Officer. In that role, Mr. Moss directs the development of the digital platform for the Company, consolidating and enhancing our server infrastructure to support our products and services, and managing our global IT function. Mr. Moss is an NEO in fiscal 2015 as a result of his new hire equity award.

Compensation Dashboard: The Compensation Dashboard below provides a snapshot of the key elements of our fiscal 2015 and fiscal 2016 executive compensation programs and illustrates that long-term incentives constitute the overwhelming majority of our NEOs' total target direct compensation. Additional information about these key elements is included in the section below titled "Our Elements of Pay".





Cash Compensation

The cash compensation of each NEO consists of a market competitive base salary and the opportunity to earn an annual cash bonus, expressed as a percentage of base salary. Base salary and bonus target percentage are set based on an assessment of various factors, including individual performance, market rates for each role and internal parity.

The annual cash bonuses paid to our NEOs (other than Mr. Wilson) are determined pursuant to the following guidelines:

Base Salary	X	Bonus Target Percentage (% of Base Salary)	X	Company Bonus Funding Percentage	X	Adjustment Based on Business Unit (if applicable) and Individual Performance	=	NEO Bonus Payout

Company Bonus Funding Percentage: In order to align our NEOs' bonus payouts to the performance of the Company, each NEO's bonus (other than Mr. Wilson's) is tied to the bonus funding percentage applied to our overall Company bonus pool. In fiscal 2015, our non-GAAP net revenue of $4.319 billion was approximately 104% of our $4.150 billion target and our non-GAAP diluted earnings per share of $2.51 was approximately 130% of our $1.90 target. As a result, in fiscal 2015 the Compensation Committee funded our overall Company bonus pool at 125% of aggregate employee target bonuses. In making this determination, the Compensation Committee considered the weighting of our non-GAAP net revenue and non-GAAP diluted earnings per share, which together accounted for 121% of the Company bonus funding percentage. Then the Compensation Committee took into account other operational achievements in fiscal 2015 including: the critical success of our fiscal 2015 game launches such as *Dragon Age: Inquisition*; the operational stability of our fiscal 2015 game launches such as the launch of *Battlefield: Hardline*; and the development progress of new IP for fiscal 2016, including *Star Wars: Battlefront*, to determine the funding at 125% of aggregate employee target bonuses.

Business Unit and Individual Performance: The Board (in the case of Mr. Wilson) and the Compensation Committee, in consultation with Mr. Wilson and our Chief Talent Officer (in the case of all other NEOs) assessed the individual performance achievements of each NEO and then adjusted the final bonus payouts based on business unit performance (if applicable) and their individual performance in fiscal year 2015.

FISCAL 2015 BASE SALARY AND CASH BONUS FOR NEOs

	Base Salary Earned in Fiscal 2015	Target Annual Bonus Award	Company Bonus Funding Percentage (125%)	Fiscal 2015 Cash Bonus
Mr. Wilson	$880,769	$1,325,000	N/A	$2,000,000
Mr. Jorgensen	$694,231	$ 695,000	$868,750	$1,216,250
Mr. Söderlund[1]	$642,646	$ 642,646	$803,308	$1,178,780
Mr. Moore	$666,154	$ 666,667	$833,334	$1,050,000
Mr. Moss	$365,962	$ 309,375	$386,719	$ 425,391

(1) Mr. Söderlund is based in Stockholm, Sweden and thus, paid in Swedish krona ("SEK"). The amounts set forth in this table as base salary and target annual bonus award were derived from an average of the SEK to USD exchange rates on the last day of each month during fiscal 2015. The amount set forth as Mr. Söderlund's fiscal 2015 cash bonus is based on the exchange rate as of May 29, 2015, the fiscal month-end closest to the date of Mr. Söderlund's receipt of the fiscal 2015 cash bonus.

Cash bonuses represented approximately one-half of our NEOs' target total cash compensation and approximately 64% of our NEOs' realized total cash compensation for fiscal 2015, thus putting at risk a significant portion of our NEO's cash compensation.

Mr. Wilson, Chief Executive Officer

Base Salary & Bonus Target*:* In the first quarter of fiscal 2015, the Board increased Mr. Wilson's base salary by 12.5% and maintained his target bonus percentage at 150% of his base salary. Mr. Wilson's base salary was increased as a result of his performance and the financial and operating performance of the Company during fiscal 2014 and to better align his base salary with the base salaries for CEOs in our peer group. While Mr. Wilson's resulting base salary and total target cash compensation were below the median for CEOs in our peer group, the Board determined that Mr. Wilson's aggregate compensation package (base, target bonus and equity award) was appropriate relative to his tenure in the role.

Cash Bonus: Mr. Wilson's objectives that the Board considered material in making the determination of his fiscal 2015 cash bonus and the attainment of those objectives are set forth below:

Fiscal 2015 Objectives	**Target**	**Actual**[1]
Non-GAAP Financial & Digital Objectives (60% weight):		
(In millions, except earnings per share and percentages)		
Net Revenue	$4,150	$4,319
Gross Profit	$2,844	$3,066
Operating Expenses	$2,000	$1,990
Diluted Earnings Per Share (based on share count of 326M)	$ 1.90	$ 2.47
Digital Revenue as a % of Total Revenue	50%	52%
Mobile Revenue Stretch Growth Target	39%	16%
Growth in Nucleus Accounts	15%	25%
Growth in Monthly Active Users	20%	19%
Strategic & Operative Objectives (40% weight):		
Console/PC Launches, Mobile Launches, New IP and Fiscal 2016 Readiness, Organizational Health	N/A	N/A

(1) Appendix A to this Proxy Statement includes a reconciliation of the non-GAAP financial measures referenced above to the most directly comparable GAAP financial measures.

In fiscal 2015, the Board removed a TSR multiplier that we previously applied to the calculation of our CEO's final bonus payout. The Board determined to remove this TSR multiplier so that the Company's TSR would not be a determining factor in both Mr. Wilson's final bonus payout and the number of his PRSUs that vest in fiscal 2015. In addition, in fiscal 2015 the Board added financial objectives related to our digital revenue and mobile business to Mr. Wilson's financial and digital objectives to reflect the growing focus of our business on the digital delivery of digital games and services. The Board also increased the weight given to Mr. Wilson's strategic and operational objectives in order to provide Mr. Wilson incentives related to non-financial objectives that the Board felt are critical for the long-term health and success of the Company, many of which are pre-set and quantifiable such as: reducing voluntary attrition below fiscal 2014 levels; preparing a pre-set number of games, including mobile titles and console titles based on new IP for launch in fiscal year 2016 and the commercialization of FIFA World and FIFA Online 3 in China.

In determining Mr. Wilson's final cash bonus payout, the Board considered the weighting and achievement of Mr. Wilson's fiscal 2015 objectives set forth above. The Board then exercised its discretion to increase Mr. Wilson's final bonus payment for factors that it deemed significant, including the Company bonus funding percentage of 125% discussed above and Mr. Wilson's individual performance (provided that Mr. Wilson's bonus may not exceed 200% of his target bonus). Factors that the Board considered in determining Mr. Wilson's individual performance included: his leadership in the critical and financial success of the Company's fiscal 2015 game launches, including *FIFA 15, Madden NFL 15*, *Dragon Age: Inquisition* and *Battlefield: Hardline*; the Company's significant increase in digital revenue; the success of new products and services; the development of new IP; recognizing and fostering talent within the Company and Mr. Wilson's implementation of his strategy and direction for the Company.

Mr. Jorgensen, Executive Vice President and Chief Financial Officer

Base Salary & Bonus Target: In the first quarter of fiscal 2015, the Compensation Committee increased Mr. Jorgensen's base salary by 4% and maintained his target bonus opportunity at 100% of his base salary. Mr. Jorgensen's base salary was increased as a result of his performance during fiscal 2014, including his role in improving operating margins, increasing cash provided by operations and reducing the Company's operating expenses.

Cash Bonus: To determine Mr. Jorgensen's final cash bonus payout, the Compensation Committee took into account that the Company exceeded its non-GAAP net revenue target and its non-GAAP earnings per share target in fiscal 2015, as well as Mr. Jorgensen's individual performance, including: driving our Company-wide strategy to focus on consolidated financial results versus business unit results; continuing to improve operating margins and cash provided by operations, while controlling the Company's operating expenses in the fiscal year; and communicating with investors and shareholders.

Mr. Söderlund, Executive Vice President, EA Studios

Base Salary & Bonus Target: In the first quarter of fiscal 2015, the Compensation Committee increased Mr. Söderlund's base salary by 13.5% and maintained his target bonus opportunity at 100% of his annual base salary. Mr. Söderlund's base salary was increased as a result of his performance during fiscal 2014, including the successful launch of titles for Microsoft's Xbox One and Sony's PlayStation 4, as well as the success of products such as *Battlefield 4* and *Need for Speed: Rivals*, and to better align his target total cash compensation with internal peers.

Cash Bonus: To determine Mr. Söderlund's final cash bonus payout, the Compensation Committee took into account that the Company exceeded its non-GAAP net revenue target and its non-GAAP earnings per share target in fiscal 2015, as well as Mr. Söderlund's individual performance, including: his role in improving product quality (including *FIFA 15, Madden NFL 15,* and *Dragon Age: Inquisition*); preparing new games for launch in fiscal 2016, including *Star Wars Battlefront*; developing new IP for both console and PC games; and his overall leadership of our EA Studios organization.

Mr. Moore, Executive Vice President and Chief Operating Officer

Base Salary & Bonus Target: In the first quarter of fiscal 2015, the Compensation Committee increased Mr. Moore's base salary by 3% and maintained his target bonus opportunity at 100% of his annual base salary. Mr. Moore's base salary was increased as a result of his performance during fiscal 2014, including his role in reducing our operating expenses and improving our digital revenue while maintaining strong revenue performance from traditional retail channels.

Cash Bonus: To determine Mr. Moore's final cash bonus payout, the Compensation Committee took into account that the Company exceeded its non-GAAP net revenue target and its non-GAAP earnings per share target in fiscal 2015, as well as Mr. Moore's individual performance, including: his role in increasing our market share in North America and Europe and maintaining our leadership position on the PlayStation 4 and Xbox One consoles; his development of a global digital publishing organization; and his overall leadership of our publishing functions worldwide.

Mr. Moss, Executive Vice President and Chief Technology Officer

Base Salary & Bonus Target: In conjunction with Mr. Moss' June 2014 offer of employment, the Committee approved an annual base salary of $550,000 and a bonus target of 75%. The Compensation Committee approved Mr. Moss' base salary and total compensation based on his skills, his target total cash compensation at his former employer, eBay Inc., and the market data for similar positions in our peer group.

Cash Bonus: Mr. Moss' bonus target is pro-rated for fiscal year 2015 based on his start date of July 14, 2014. To determine Mr. Moss' final cash bonus payout, the Compensation Committee took into account that the Company exceeded its non-GAAP net revenue target and its non-GAAP earnings per share target in fiscal 2015, as well as Mr. Moss' individual performance, including: the successful scaling and enhancement of the technology supporting our growing digital business; his leadership of the organization, strategy and vision for EA's digital platform and information technology divisions; and his team's support of the Company's products and services, such as the launch quality of the Company's fiscal 2015 games including *Battlefield: Hardline*.

Equity Compensation

Equity compensation is used as a tool to hire and retain the Company's top talent. In fiscal 2015, Mr. Moss was granted time-based RSUs ("RSUs") and stock options (collectively, the "New Hire Award") in connection with his offer of employment. To determine the value of the New Hire Award, the Compensation Committee referenced market data for his role in our peer group and the value of equity forfeited with his former employer upon departure. A significant portion of Mr. Moss' New Hire Award replaced the value of the equity he forfeited at his former employer. The other NEOs' annual equity awards ("Annual Awards") were targeted to be comprised of 50% RSUs with a three-year pro rata vesting schedule; 25% PRSUs with vesting tied to the Company's TSR; and 25% stock options with time-based vesting. The number of PRSUs, stock options and RSUs awarded to each NEO was determined based upon an assessment of various individual factors, including each NEOs' role and tenure with the Company, individual performance, the value of unvested equity for retention considerations, the grant date fair-value of the award, competitive market practices, including benchmarking data for the position, and internal compensation alignment among our executive officers.

The following table shows the value of the Annual Awards granted to Mr. Wilson, Mr. Jorgensen, Mr. Söderlund and Mr. Moore in fiscal 2015 and the New Hire Award granted to Mr. Moss:

FISCAL 2015 ANNUAL AWARD VALUES AND NEW HIRE AWARD VALUES FOR NEOs

	Target PRSUs	RSUs	Stock Options	Total Value at Grant	Accounting Value at Grant
Mr. Wilson	$2,000,000	$4,000,000	$2,000,000	$8,000,000	$8,696,866
Mr. Jorgensen	$ 875,000	$1,750,000	$ 875,000	$3,500,000	$3,804,838
Mr. Söderlund	$1,500,000	$3,000,000	$1,500,000	$6,000,000	$6,522,628
Mr. Moore	$ 750,000	$1,500,000	$ 750,000	$3,000,000	$3,261,296
Mr. Moss	—	$5,000,000	$1,500,000	$6,500,000	$6,499,989

Approximately 75% of the aggregate compensation of our NEOs for fiscal 2015 was provided in the form of long-term equity.

Following our 2014 Annual Meeting, our Board and Compensation Committee conducted an in-depth analysis of our executive compensation programs and considered the discussions with our stockholders and the results of our 2014 say on pay vote. As a result, the Compensation Committee with the support of our Board approved changes to our executive compensation program along with a wide variety of other factors. These changes, implemented for fiscal year 2016, eliminated stock options from the annual equity awards granted to our executive officers and increased the percentage of PRSUs from 25% to 50% with vesting tied to the Company's TSR over one-, two- and three-year periods; the remaining 50% of the annual equity award is granted in RSUs in order to balance pay-for-performance and retention considerations. We granted our NEOs' fiscal 2015 Annual Awards in June 2014 prior to this in-depth analysis of our executive compensation programs and the discussions with our stockholders regarding our pay practices.

Upon joining the Company, Mr. Moss was granted a New Hire Award with the vesting schedules and terms described below. Because Mr. Moss was not an employee of the Company at the time that the Committee granted Annual Awards, he was not granted PRSUs in fiscal 2015. Mr. Moss received an Annual Award in fiscal 2016 consistent with our other executive officers and 50% of his fiscal 2016 Annual Award was in the form of PRSUs.

Mr. Wilson, Chief Executive Officer

In determining the size of Mr. Wilson's Annual Award, the Board considered market data for existing CEOs, Mr. Wilson's current unvested equity holdings from PRSU, RSU and stock option grants and Mr. Wilson's individual performance during fiscal 2014, including launching games on time for both the Xbox One and PlayStation 4, as well as the Xbox 360 and PlayStation; and the Company's increasing percentage of digital revenue as a portion of total revenue.

Mr. Jorgensen, Executive Vice President and Chief Financial Officer

In determining the size of Mr. Jorgensen's Annual Award, the Compensation Committee considered Mr. Jorgensen's current unvested equity holdings from PRSU, RSU and stock option grants and Mr. Jorgensen's individual performance during fiscal 2014, including improvements to the Company's operating margins and cash provided by operations; his role in reducing the Company's operating expenses; and managing communications with employees and investors.

Mr. Söderlund, Executive Vice President, EA Studios

In determining the size of Mr. Söderlund's Annual Award, the Compensation Committee considered Mr. Söderlund's current unvested equity holdings from PRSU, RSU and stock option grants, internal parity and Mr. Söderlund's individual performance during fiscal 2014, including managing the launches of our games and services on the Xbox One and the PlayStation 4; the success of products released in the second half of fiscal 2014 (including *Titanfall* and *Plants vs. Zombies: Garden Warfare*); and reorganizing our former EA Games and EA SPORTS labels into a newly formed EA Studios organization.

Mr. Moore, Executive Vice President and Chief Operating Officer

In determining the size of Mr. Moore's Annual Award, the Compensation Committee considered Mr. Moore's current unvested equity holdings from PRSU, RSU and stock option grants and Mr. Moore's individual performance during fiscal 2014, including achieving a leadership position on the PlayStation 4 and Xbox One consoles; improving our digital revenue while maintaining strong revenue performance from traditional retail channels; and his role in reducing our operating expenses during the 2014 fiscal year.

Mr. Moss, Executive Vice President and Chief Technology Officer

Upon joining the Company, Mr. Moss was granted an equity award, the value of which was determined largely to offset the unvested equity he forfeited when he left eBay Inc., his prior company. 25% of the RSUs granted to Mr. Moss vested on January 16, 2015, 35% will vest on July 16, 2015 and 20% will vest on each of July 16, 2016 and July 16, 2017. The vesting schedule of Mr. Moss' RSUs was designed to account for the vesting cycle at his previous employer and to incentivize him to join EA without losing significant compensation during his first year of employment. The stock options granted to Mr. Moss will vest in one-third increments on each of the first, second and third anniversaries of the grant date.

OUR ELEMENTS OF PAY

We believe that our compensation programs reflect our three compensation principles described under "Compensation Principles — Promoting Pay-for-Performance" and are designed to reward achievement of Company-wide financial objectives, individual operational and strategic objectives and the creation of long-term value for our stockholders, while also recognizing the dynamic and highly competitive nature of our business and the market for top executive talent. The elements of our compensation programs are set forth below:

Base Salary

On an annual basis, the Compensation Committee reviews and approves any base salary adjustments considering such factors as individual performance, pay relative to market, level of responsibilities, complexity of role, and internal compensation alignment.

As part of its May 2015 compensation review, the Compensation Committee (and Board for Mr. Wilson) increased the base salaries of certain NEOs for fiscal 2016. As part of the process described above, effective June 1, 2015, the base salaries of our NEOs will be: Mr. Wilson, $1,000,000; Mr. Jorgensen, $735,000; Mr. Söderlund $593,784[1]; Mr. Moore $690,100; and Mr. Moss, $588,500.

[1] This amount reflects Mr. Söderlund's base salary based on the exchange rate of SEK to the USD as of May 29, 2015, the fiscal month end closest to the effective date of Mr. Söderlund's base salary increase.

Cash Bonus Awards

Cash bonus awards for each of our NEOs were funded under the Electronic Arts Inc. Executive Bonus Plan (the "Executive Bonus Plan"). Cash bonuses payable under this plan are intended to qualify as tax deductible "performance-based compensation" under Section 162(m) of the Internal Revenue Code. At the beginning of each fiscal year, the Compensation Committee selects the Executive Bonus Plan participants, performance period, performance measures, and the formula used to determine maximum bonus funding. In fiscal 2015, all of our NEOs were selected to participate in this plan, and the Compensation Committee selected non-GAAP net income as the performance measure because the level of profitability is a key business focus in any year. The performance period was established as fiscal 2015, and the formula to determine the maximum bonus funding for each NEO was the lower of: (1) 300% of their annual base salary or (2) 0.5% of our fiscal 2015 non-GAAP net income for each NEO other than our CEO, for whom the maximum was 1% of our fiscal 2015 non-GAAP net income. For fiscal 2015, the Company reported non-GAAP net income of $806 million which resulted in a maximum bonus award funding of 300% of annual base salary for each of our NEOs. The Compensation Committee then exercised its discretion to reduce actual bonus awards for each individual based on the Company's overall financial performance, the terms of the Executive Bonus Plan, target bonus award and individual performance against strategic and operational objectives, as discussed in "Our NEOs' Fiscal 2015 Compensation" above.

RSUs

Annual Award grants of RSUs to our NEOs vest annually over 35 months from the grant date in equal increments each May. For fiscal 2015, approximately 50% of the total value of our NEOs' Annual Awards were made in the form of RSUs.

PRSUs

The Compensation Committee has granted PRSUs as part of the annual equity awards to Executive Vice President level employees and above since fiscal 2012. Beginning in fiscal 2016, Senior Vice President level employees and above will participate in this program. The number of shares earned adjusts based upon changes in our TSR relative to the performance of the companies in the NASDAQ-100 Index (the "Relative NASDAQ-100 TSR") measured over 12-month, 24-month cumulative and 36-month cumulative periods (each such period, a "Vesting Measurement Period"). PRSUs may vest upon approximately the first, second and third anniversaries of the date of grant (which we call "Vesting Opportunities"). For fiscal 2015, approximately 25% of the total value of our NEOs' Annual Awards were made in the form of PRSUs.

The illustration below depicts how the number of shares earned is calculated:

Target PRSUs	x	Relative NASDAQ-100 TSR Multiplier	=	Shares Earned

The Relative NASDAQ-100 TSR multiplier, which can range from 0% to 200% is based on the change in our stock price during a Vesting Measurement Period (i.e., approximately the 12-month period, 24-month cumulative period and 36-month cumulative period following of the date of grant), using a 90-day trailing average stock price. If the Company's Relative NASDAQ-100 TSR is at the 60^{th} percentile (i.e., 10% higher than the median TSR of the NASDAQ-100) at the end of a Vesting Measurement Period, 100% of target shares will be earned. The percentage of shares earned will be adjusted upward by 3% or downward by 2% for each percentile above or below the 60^{th} percentile, respectively.

The following table illustrates the percentage of shares that could be earned from our PRSUs based on the Company's Relative NASDAQ-100 TSR.

Relative NASDAQ-100 TSR Percentile	1^{st} to 10^{th}	25th	40th	***60th***	75th	90th	94^{th} to 100^{th}
Relative NASDAQ-100 TSR Multiplier	0%	30%	60%	***100%***	145%	190%	200%

The following table illustrates the percentage of shares subject to outstanding PRSUs earned at the end of fiscal 2015:

PRSU Grant Date	June 2012	June 2013	June 2014
Measurement Period	Fiscal 13-15	Fiscal 14-16	Fiscal 15-17
90 day average stock price (at start of measurement period)	$14.26	$20.35	$32.36
Length of Vesting Measurement Period	3 Years	2 Years	1 Year
90 day average stock price (at end of measurement period)		$53.42	
EA's TSR	275.7%	162.5%	65.1%
EA's Relative NASDAQ-100 TSR Percentile	95th	96th	97th
Percentage of Target Shares Earned in May 2015	**200%**	**200%**	**200%**

Our PRSU program also includes specific caps on the number of shares that can be earned at any Vesting Opportunity. First, the number of shares earned is capped at 200% of the target shares available for vesting at a Vesting Opportunity. And second, if the Company's TSR at any Vesting Opportunity is negative on an absolute basis, the number of shares that can be earned is capped at 100% of the target regardless of the Company's Relative NASDAQ-100 TSR. For example, in fiscal 2015 our TSR for PRSUs granted in June 2014 was 65.1% and our Relative NASDAQ-100 TSR for the one-year Vesting Opportunity of those PRSUs was in the 97th percentile. Without these caps, our NEOs would have earned 209% of target shares from the June 2014 PRSU grants; however after applying the cap described above, the number of shares earned from our June 2014 PRSU grant was reduced to 200% of target shares.

In addition, as an incentive to keep our executives focused on long-term stock price performance, our PRSU program provides an opportunity for our executives to earn shares at the second and third Vesting Opportunities (i.e., on approximately the second and third anniversaries of the grant date) that were not earned at the first and second Vesting Opportunities (i.e., approximately the first and second anniversaries of the grant date) in an amount up to 100% of the target number of shares unearned from the previous Vesting Opportunities, based on our Relative NASDAQ-100 TSR during the cumulative 24-month and 36-month Vesting Measurement Periods. These shares are earned in the event that Company's Relative NASDAQ-100 TSR subsequently improves over the cumulative 24-month and/or 36-month Vesting Measurement Periods. This feature has never been applied to PRSUs granted to our NEOs, and given our TSR in fiscal 2015, this feature will not be applicable until, at the earliest, PRSUs that are earned in fiscal 2018.

Stock Options

For fiscal 2015, approximately 25% of the total value of our NEOs' Annual Awards were made in the form of stock options. Stock option awards granted to our NEOs in fiscal 2015 vest annually over 35 months in equal increments each May. The exercise price of stock options granted to our NEOs is set on a regularly scheduled grant date with no discount or premium. No stock option awards were granted to our NEOs in fiscal 2016.

Use of Non-GAAP Financial Measures

The Company uses certain adjusted non-GAAP financial measures when establishing performance-based bonus targets, such as non-GAAP net revenue, non-GAAP gross profit, non-GAAP operating income, non-GAAP net income, non-GAAP diluted earnings per share and non-GAAP diluted shares. These non-GAAP financial measures exclude the following items (other than shares from the convertible bond hedge, which are included) as applicable, in a given reporting period: acquisition-related expenses, amortization of debt discount, change in deferred net revenue (online-enabled games), college football settlement expenses, income tax adjustments, loss on licensed intellectual property commitment, shares from convertible bond hedge and stock-based compensation, among others. In addition, for these purposes, we make further adjustments to our publicly disclosed non-GAAP measures to add back bonus expense.

OTHER COMPENSATION INFORMATION

Benefits and Retirement Plans

We provide a wide array of significant employee benefit programs to all of our regular, full-time employees, including our NEOs, including medical, dental, prescription drug, vision care, disability insurance, life insurance, accidental death and dismemberment ("AD&D") insurance, a flexible spending plan, business travel accident insurance, an educational reimbursement program, an adoption assistance program, an employee assistance program, an employee stock purchase plan, paid time off, and a monthly car allowance or use of a company car for employees in certain positions and locations, including in Sweden where Mr. Söderlund resides. We also offer a sabbatical program for regular full-time employees who commenced employment prior to October 7, 2009. If employees, including our NEOs, are unable to utilize their full sabbatical benefit within the eligibility period, they receive a cash payout for their accrued, but unused, sabbatical. In fiscal 2015, Mr. Wilson received a payout of approximately $38,500 in accordance with the terms of the sabbatical program, as he was unable to utilize his full sabbatical benefit within the eligibility period.

We offer retirement plans to our employees based upon their country of employment. In the United States, our employees, including our U.S.-based NEOs, are eligible to participate in a tax-qualified section 401(k) savings plan, with an annual Company discretionary matching contribution of up to 6% of eligible compensation. The amount of the matching contribution is determined each year based on the Company's fiscal year performance. We also maintain a nonqualified deferred compensation plan in which executive-level employees, including our NEOs and our Directors, are eligible to participate. None of our NEOs participated in the deferred compensation plan during fiscal 2015. In Sweden, where Mr. Söderlund resides, the Company contributes to supplementary ITP occupational pension plans (the "ITP Plans") for eligible employees, which provide retirement, life insurance and disability benefits. Eligible employees above certain income thresholds also may elect to participate in an alternative ITP Plan. The ITP Plans are offered pursuant to the terms of a collective agreement between the Confederation of Swedish Enterprise and the Council for Negotiation and Cooperation.

Perquisites and Other Personal Benefits

While our NEOs generally receive the same benefits that are available to our other regular, full-time employees, they also receive certain additional benefits, including access to a Company-paid physical examination program, and greater maximum benefit levels for life insurance, AD&D, and long-term disability coverage. We consider these benefits to be standard components of a competitive executive compensation package. Company-reimbursed air and ground transportation generally is limited to business travel. During fiscal 2015, Mr. Moss spent approximately half of his time working from Company headquarters in Redwood Shores, California and the other half working from Seattle, Washington, where he resides. We reimbursed Mr. Moss for expenses associated with regular travel between his Seattle home and Company headquarters and such expenses were grossed-up for taxes. These expenses and the associated tax gross-up are reported in the "All Other Compensation" column of our "Fiscal 2015 Summary Compensation Table" beginning on page 39 of this Proxy Statement. We will cease to pay for these expenses upon Mr. Moss' relocation to California, which is expected to occur in calendar 2015.

Relocation Assistance

We provide relocation benefits to our executive officers, including our NEOs, in order to induce job candidates to accept job offers for certain open positions that are critical to the Company's business needs. These benefits may include household goods and car shipment, travel, temporary housing, car rental, storage, miscellaneous relocation allowance, closing costs and home sale commissions, house-hunting trips, and tax protection to offset costs incurred by our executive officers as a result of these relocations.

Change of Control Arrangements and Severance

Our executive officers, including our NEOs, are eligible to participate in the Electronic Arts Inc. Key Employee Continuity Plan (the "CoC Plan"), which is a "double-trigger" change of control plan that provides our executive officers with payments and benefits if their employment is terminated in connection with a change of control. For more information on the CoC Plan, please refer to the information included under the heading "Potential Payments Upon Termination or Change of Control" beginning on page 46 of this Proxy Statement.

We also maintain an ERISA-regulated severance plan (the "Severance Plan") that applies generally to all of our U.S.-based employees. Under the Severance Plan, eligible employees may receive a cash severance payment and premiums for continued health benefits, if such benefits are continued pursuant to COBRA. Any severance arrangements with our NEOs, whether paid pursuant to the Severance Plan or otherwise, require the prior approval of the Compensation Committee. In the event of a change of control of the Company, the cash severance payment payable under the Severance Plan may be reduced, in whole or in part, by any amount paid under the CoC Plan.

Stock Ownership Requirements

We maintain stock ownership requirements for all of our Section 16 officers. Our Section 16 officers who hold the title of senior vice president must maintain stock ownership equal to at least 1x their base salary. The stock ownership multiple increases to 2x base salary for Section 16 officers who are executive vice presidents and 5x base salary for our CEO. We test the share ownership requirement on an annual basis and any Section 16 officer not in compliance with these guidelines must hold 50% of any net after-tax shares vesting from equity awards until the applicable requirement is met.

As of March 31, 2015, each of our executive officers, had either met his or her then-applicable stock ownership requirement or had not yet reached the date on which he or she is required to meet his or her ownership requirement.

Insider Trading, Anti-Hedging and Anti-Pledging Policies

We maintain an insider trading policy designed to promote compliance by all of our employees and directors with both federal and state insider trading laws. In addition, our insider trading policy prohibits our directors, executive officers and other employees from engaging in any hedging transaction or short sale of our stock or trading in any derivatives of our stock; our directors and Section 16 officers also are prohibited from pledging our stock as collateral for any loan.

Compensation Recovery

Our equity award agreements contain a provision providing that if an employee engages in fraud or other misconduct that contributes to an obligation to restate the Company's financial statements, the Compensation Committee may terminate the equity award and recapture any equity award proceeds received by the employee within the 12-month period following the public issuance or filing of the financial statements required to be restated.

Tax Deductibility and Compensation Expense

When making compensation decisions for our NEOs, the Committee considers if the compensation arrangements are tax deductible under Section 162(m) of the Internal Revenue Code. However, tax deductibility is not the primary factor in determining appropriate levels or modes of compensation. Since corporate objectives may not always be consistent with the requirements for tax deductibility, we may, if consistent with our compensation philosophy, enter into compensation arrangements under which payments are not fully deductible under Section 162(m).

Risk Considerations

The Compensation Committee considers, in establishing and reviewing our compensation program, whether the program encourages unnecessary or excessive risk taking and has concluded that it does not. See the section of this Proxy Statement entitled "Oversight of Risk Issues" above for an additional discussion of risk considerations.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The following Compensation Committee Report on Executive Compensation shall not be deemed to be "soliciting material" or to be "filed" with the Securities and Exchange Commission nor shall this information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that EA specifically incorporates it by reference into a filing.

The Committee has reviewed and discussed with management the Compensation Discussion and Analysis. Based on its review and discussions with management, the Committee recommended to our Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

COMMITTEE MEMBERS

Jay C. Hoag (Chair)

Leonard Coleman

Vivek Paul

FISCAL 2015 SUMMARY COMPENSATION TABLE

The following table shows information concerning the compensation earned by or awarded to our Chief Executive Officer, our Chief Financial Officer, and our next three most highly compensated executive officers for fiscal 2015 and, where applicable, fiscal 2014 and 2013. For purposes of the compensation tables that follow, we refer to these individuals collectively as the "Named Executive Officers" or "NEOs".

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards ($)[1]	Option Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)[3]	All Other Compensation ($)[4]	Total ($)
ANDREW WILSON	2015	880,769	—	6,696,870[5][6]	1,999,996	2,000,000	55,255	11,634,890
Chief Executive Officer	2014	674,038	—	3,896,250	8,607,400	780,474	17,219	13,975,381
	2013	510,865	—	4,283,250	—	827,488	10,373	5,631,976
BLAKE JORGENSEN	2015	694,231	—	2,929,842[5][7]	874,996	1,216,250	16,759	5,732,078
Executive Vice President,	2014	666,154	—	9,766,750	—	840,000	16,424	11,289,328
Chief Financial Officer	2013	362,500	350,000	2,842,000	—	269,208	657	3,824,365
PATRICK SÖDERLUND[8]	2015	642,646	—	5,022,628[5][9]	1,500,000	1,178,780	141,611	8,485,665
Executive Vice President,	2014	634,518	—	3,896,250	—	725,000	95,983	5,351,751
EA Studios	2013	584,583	—	4,283,250	—	259,050	67,154	5,194,037
PETER MOORE	2015	666,154	—	2,511,296[5][10]	750,000	1,050,000	16,718	4,994,168
Executive Vice President,	2014	646,154	—	3,376,750	—	685,000	24,965	4,732,869
Chief Operating Officer	2013	628,155	—	1,716,000	—	423,811	10,443	2,778,409
KENNETH MOSS	2015	365,962	170,000[11]	4,999,990[12]	1,499,999	425,391	75,237	7,536,579
Executive Vice President,								
Chief Technology Officer								

(1) Represents the aggregate grant date fair value of RSUs with time-based and, where applicable, performance-based vesting granted in those years. Grant date fair value is determined for financial statement reporting purposes and the amounts shown do not reflect the actual value realized by the recipient. For RSUs with time-based vesting, grant date fair value is calculated using the closing price of our common stock on the grant date. Refer to footnote 5 below for a discussion of the fair value calculation for RSUs with performance-based vesting. For additional information regarding the valuation methodology for RSUs, see Note 15, "Stock-Based Compensation and Employee Benefit Plans", to the Consolidated Financial Statements in our Annual Report. For additional information regarding the specific terms of the RSUs with time-based vesting granted to our NEOs in fiscal 2015, see the "Fiscal 2014 Grants of Plan-Based Awards Table" below.

(2) Represents the grant date fair value of stock options granted. For additional information on the valuation methodology and assumptions used to calculate the fair value of stock options, see Note 15, "Stock-Based Compensation and Employee Benefit Plans", of the Consolidated Financial Statements in our Annual Report.

(3) Represents amounts awarded under the Executive Bonus Plan for fiscal 2015, 2014 and 2013, in addition to amounts awarded to Messrs. Söderlund and Wilson under the EA Bonus Plan in fiscal 2013. For additional information about the bonuses paid to our NEOs in fiscal 2015, see "Our NEOs' Fiscal 2015 Compensation and "Cash Bonus Awards" in the "Compensation Discussion and Analysis" above.

(4)

All Other Compensation Table

Name	Fiscal Year	Insurance Premiums ($)[A]	Retirement Benefits ($)[B]	Other ($)	Tax Gross-Up ($)	Total ($)
ANDREW WILSON	2015	1,118	15,600	38,462[C]	75[D]	55,255
	2014	1,919	15,300	—	—	17,219
	2013	1,287	5,048	4,038	—	10,373
BLAKE JORGENSEN	2015	1,118	15,600	—	41[D]	16,759
	2014	1,124	15,300	—	—	16,424
	2013	657	—	—	—	657
PATRICK SÖDERLUND	2015	702	68,797	62,204[E]	9,908[F]	141,611
	2014	791	32,142	63,050	—	95,983
	2013	—	37,779	29,375	—	67,154
PETER MOORE	2015	1,118	15,600	—	—	16,718
	2014	6,149	15,300	—	3,516	24,965
	2013	2,943	7,500	—	—	10,443
KENNETH MOSS	2015	839	—	37,923[G]	36,475[H]	75,237

(A) Amounts shown represent premiums paid on behalf of our NEOs under Company sponsored group life insurance, AD&D and disability programs.

(B) Amounts shown for Messrs. Wilson, Jorgensen and Moore reflect Company-matching 401(k) contributions for fiscal years 2013, 2014 and 2015, as applicable, paid during each subsequent year. The amount shown for Mr. Söderlund reflects Company contributions during fiscal 2013, 2014 and 2015 to a Swedish ITP2 occupational pension plan, which includes a defined contribution component, as well as life and disability coverage, and an alternative ITP plan.

(C) Represents the amount paid to Mr. Wilson for his accrued but unused sabbatical benefit.

(D) Represents the value of taxes paid on behalf of Messrs. Wilson and Jorgensen for participation in video game purchase and/or reimbursement program available to all employees.

(E) Includes car payments, private medical premiums, paid time off and hotel expenses for family members while considering a relocation, as well as a payout of $36,381 for expired paid time off.

(F) Represents the aggregate value of taxes paid on behalf of Mr. Söderlund in connection with hotel expenses for family members while considering a relocation and business entertainment expenses.

(G) Represents amounts reimbursed to Mr. Moss or paid on his behalf in connection with commuting expenses between his home in Seattle, Washington and Company headquarters in Redwood Shores, California ($37,438) and a welcome gift from the EA company store given to Mr. Moss.

(H) Represents the aggregate value of taxes paid on behalf of Mr. Moss for (1) Company paid or reimbursed commuting expenses between his home in Seattle, Washington and Company headquarters in Redwood Shores, California ($36,183), (2) a welcome gift from the EA company store given to Mr. Moss, (3) participation in video game purchase and/or reimbursement program available to all employees and (4) participation in a console reimbursement program available to all new employees.

(5) Includes the aggregate grant date fair value of PRSUs granted in those years. Grant date fair value is determined for financial statement reporting purposes and the amounts shown do not reflect the actual value that can be realized by the recipient upon vesting of awards. For PRSUs, the grant date fair value is based on the probable outcome of the performance condition on the date of grant. For additional information regarding the valuation methodology for PRSUs, see Note 15, "Stock-Based Compensation and Employee Benefit Plans", to the Consolidated Financial Statements in our Annual Report. The PRSUs granted to our NEOs in fiscal 2015 are referred to as "Market-Based Restricted Stock Units" in Note 15. For additional information regarding the specific terms of the PRSUs granted to our NEOs in fiscal 2015, see the discussion of "PRSUs" in the "Compensation Discussion & Analysis" above and the "Fiscal 2015 Grants of Plan-Based Awards Table" below.

(6) Represents the aggregate grant date fair value of 112,044 RSUs with time-based vesting granted to Mr. Wilson in fiscal 2015 of $3,999,971 and the grant date fair value of the target payout of 56,022 PRSUs granted to Mr. Wilson in fiscal 2015 of $2,696,899, based on the probable outcome of the performance conditions. The actual vesting of the PRSUs will be between zero and 200% of the target number of PRSUs. The value of the PRSUs on the date of grant assuming the highest level of performance conditions will be achieved is $3,999,971, which is based on the maximum vesting of 112,044 PRSUs multiplied by the closing price of our stock on the date of grant of $35.70.

(7) Represents the aggregate grant date fair value of 49,019 RSUs with time-based vesting granted to Mr. Jorgensen in fiscal 2015 of $1,749,978 and the grant date fair value of the target payout of 24,509 PRSUs granted to Mr. Jorgensen in fiscal 2015 of $1,179,863, based on the probable outcome of the performance conditions. The actual vesting of the PRSUs will be between zero and 200% of the target number of PRSUs. The value of the PRSUs on the date of grant assuming the highest level of performance conditions will be achieved is $1,749,943, which is based on the maximum vesting of 49,018 PRSUs multiplied by the closing price of our stock on the date of grant of $35.70.

(8) Mr. Söderlund is based in Stockholm, Sweden and thus, was paid in Swedish krona. The cash amounts reflected in the "Fiscal 2015 Summary Compensation Table" (other than equity awards) for our 2013 and 2014 fiscal years were converted to U.S. dollars based on the

spot exchange rate as of the end of our 2013 and 2014 fiscal years, respectively. The amounts reported as salary and all other compensation for Mr. Söderlund in fiscal 2015 were derived from an average of the Swedish krona to U.S. dollar exchange rates on the last day of each month during fiscal 2015. The amount reported as non-equity incentive plan compensation for Mr. Söderlund in fiscal 2015 is based on the exchange rate as of May 29, 2015, the fiscal month-end closest to the date of Mr. Söderlund's receipt of such compensation.

(9) Represents the aggregate grant date fair value of 84,033 RSUs with time-based vesting granted to Mr. Söderlund in fiscal 2015 of $2,999,978 and the grant date fair value of the target payout of 42,016 PRSUs granted to Mr. Söderlund in fiscal 2015 of $2,022,650, based on the probable outcome of the performance conditions. The actual vesting of the PRSUs will be between zero and 200% of the target number of PRSUs. The value of the PRSUs on the date of grant assuming the highest level of performance conditions will be achieved is $2,999,942, which is based on the maximum vesting of 84,032 PRSUs multiplied by the closing price of our stock on the date of grant of $35.70.

(10) Represents the aggregate grant date fair value of 42,016 RSUs with time-based vesting granted to Mr. Moore in fiscal 2015 of $1,499,971 and the grant date fair value of the target payout of 21,008 PRSUs granted to Mr. Moore in fiscal 2015 of $1,011,325, based on the probable outcome of the performance conditions. The actual vesting of the PRSUs will be between zero and 200% of the target number of PRSUs. The value of the PRSUs on the date of grant assuming the highest level of performance conditions will be achieved is $1,499,971, which is based on the maximum vesting of 42,016 RSUs multiplied by the closing price of our stock on the date of grant of $35.70.

(11) Represents a sign-on bonus at the time of hire. Mr. Moss must repay the full amount of the bonus if his employment terminates before the one-year anniversary of his hire date, and he must repay a pro-rated amount if his employment terminates between the one-year and two-year anniversaries of his hire date.

(12) Represents the aggregate grant date fair value of 134,698 RSUs with time-based vesting granted to Mr. Moss in connection with his hire in fiscal 2015 of $4,999,990.

FISCAL 2015 GRANTS OF PLAN-BASED AWARDS TABLE

The following table shows information regarding non-equity incentive and equity plan-based awards granted to our NEOs during fiscal 2015.

Name	Grant Date	Approval Date(1)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(2) Target ($)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(2) Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards(3) Target (#)	Estimated Future Payouts Under Equity Incentive Plan Awards(3) Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)(4)	All Other Option Awards: Number of Securities Underlying Option (#)	Exercise or Base Price of Option Awards ($/Share)(5)	Grant Date Fair Value of Stock and Option Awards ($)(6)
Andrew Wilson										
Annual Bonus Opportunity	—	—	1,325,000	2,650,000	—	—	—	—	—	—
PRSUs	6/16/2014	5/16/2014	—	—	56,022	112,044	—	—	—	2,696,899
RSUs	6/16/2014	5/16/2014	—	—	—	—	112,044(7)	—	—	3,999,971
Options	6/16/2014	5/16/2014	—	—	—	—	—	166,389(8)	35.70	1,999,996
Blake Jorgensen										
Annual Bonus Opportunity	—	—	695,000	2,100,000	—	—	—	—	—	—
PRSUs	6/16/2014	5/15/2014	—	—	24,509	49,018	—	—	—	1,179,863
RSUs	6/16/2014	5/15/2014	—	—	—	—	49,019(7)	—	—	1,749,978
Options	6/16/2014	5/15/2014	—	—	—	—	—	72,795(8)	35.70	874,996
Patrick Söderlund										
Annual Bonus Opportunity	—	—	540,897	1,655,601	—	—	—	—	—	—
PRSUs	6/16/2014	5/15/2014	—	—	42,016	84,032	—	—	—	2,022,650
RSUs	6/16/2014	5/15/2014	—	—	—	—	84,033(7)	—	—	2,999,978
Options	6/16/2014	5/15/2014	—	—	—	—	—	124,792(8)	35.70	1,500,000
Peter Moore										
Annual Bonus Opportunity	—	—	666,667	2,010,000	—	—	—	—	—	—
PRSUs	6/16/2014	5/15/2014	—	—	21,008	42,016	—	—	—	1,011,325
RSUs	6/16/2014	5/15/2014	—	—	—	—	42,016(7)	—	—	1,499,971
Options	6/16/2014	5/15/2014	—	—	—	—	—	62,396(8)	35.70	750,000
Kenneth Moss										
Annual Bonus Opportunity	—	—	309,375	928,125	—	—	—	—	—	—
RSUs	7/16/2014	6/5/2014	—	—	—	—	134,698(9)	—	—	4,999,990
Options	7/16/2014	6/5/2014	—	—	—	—	—	122,850(10)	37.12	1,499,999

(1) Each grant was approved on the approval date indicated above by our Compensation Committee or the Board, where applicable, for grant on the specific grant date indicated above.

(2) The amounts shown represent the target and maximum amount of cash bonus plan awards provided for under the Electronic Arts Executive Bonus Plan. The target amounts are pre-established as a percentage of salary and the maximum amounts represent the greatest payout that could be made pursuant to the Executive Bonus Plan. For more information regarding the bonuses paid to our NEOs in fiscal 2015 and an explanation of the amount of salary and bonus in proportion to total compensation, see the sections titled “Our NEOs’ Fiscal 2015 Compensation” and “Our Elements of Pay” in the “Compensation Discussion and Analysis” above.

(3) Represents awards of PRSUs granted under our 2000 Equity Incentive Plan. The PRSUs granted to our NEOs in fiscal 2015 are referred to as “Market-Based Restricted Stock Units” in Note 15 “Stock-Based Compensation and Employee Benefit Plans”, to the Consolidated Financial Statements in our Annual Report. The number of PRSUs that vest is based on EA’s Relative NASDAQ-100 TSR. For additional information regarding the specific terms of the PRSUs granted to our NEOs in fiscal 2015, see the discussion of “PRSUs” in the “Compensation Discussion and Analysis” above. Upon vesting, each PRSU automatically converts into one share of EA common stock, and does not have an exercise price or expiration date. The PRSUs are not entitled to receive dividends, if any, paid by EA on its common stock.

(4) Represents awards of RSUs granted under our 2000 Equity Incentive Plan. Upon vesting, each RSU automatically converts into one share of EA common stock, and does not have an exercise price or expiration date. The RSUs are not entitled to receive dividends, if any, paid by EA on its common stock.

(5) The exercise price of all stock options was 100% of the fair market value on the date of grant (based on the closing price of our common stock on the NASDAQ Stock Market on the date of grant).

(6) For grants of RSUs, represents the aggregate grant date fair value of RSUs calculated using the closing price of our common stock on the date of grant. For grants of PRSUs, represents the aggregate grant date fair value of the award based on the probable outcome of the performance condition on the date of grant. For grants of stock options, represents the aggregate grant date fair value based on the Black Scholes model. Grant date fair value is determined for financial statement reporting purposes and the amounts shown do not reflect actual

value realized by the recipient. For a more detailed discussion of the valuation methodology and assumptions used to calculate fair value, see Note 15 “Stock-Based Compensation and Employee Benefit Plans”, of the Consolidated Financial Statements in our Annual Report.

(7) RSUs vested as to one-third of the units on May 16, 2015 and will vest as to one-third of the units on each of May 16, 2016, and May 16, 2017.

(8) Stock options vested as to one-third of the options on May 16, 2015 and will vest as to one-third of the options on each of May 16, 2016, and May 16, 2017.

(9) RSUs vested as to 25% of the units on January 16, 2015, and will vest as to 35% on July 16, 2015, 20% on July 16, 2016, and 20% on July 16, 2017.

(10) Stock options vest as to one-third of the options on July 16, 2015, July 16, 2016, and July 16, 2017.

OUTSTANDING EQUITY AWARDS AT FISCAL 2015 YEAR-END

The following tables show information regarding outstanding stock options and outstanding RSUs held by our NEOs as of the end of fiscal 2015.

All stock options and RSUs were granted pursuant to EA's 2000 Equity Incentive Plan. The market value of the unvested time-based and performance-based RSU awards is determined by multiplying the number of unvested RSUs by $58.24, the closing price of the Company's common stock on March 27, 2015, the last trading day of fiscal 2015. For the RSU awards subject to performance-based vesting conditions as described in the footnotes to the Outstanding Stock Awards table below, the number of shares and their value assumes the achievement of target performance goals, unless otherwise noted.

	Outstanding Option Awards				
		Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)		
Name	Option Grant Date	Exercisable	Unexercisable	Option Exercise Price ($)	Option Expiration Date
Andrew Wilson	10/31/2013	320,000	680,000[1]	26.25	10/31/2023
	6/16/2014	—	166,389[2]	35.70	6/16/2024
Blake Jorgensen	6/16/2014	—	72,795[2]	35.70	6/16/2024
Patrick Söderlund	8/17/2009	70,000	—	19.57	8/17/2019
	6/16/2014	—	124,792[2]	35.70	6/16/2024
Peter Moore	9/17/2007	237,411	—	53.73	9/17/2017
	6/16/2014	—	62,396[2]	35.70	6/16/2024
Kenneth Moss	7/16/2014	—	122,850[3]	37.12	7/16/2024

(1) Stock options vest as to 20,000 of the options on the first day of each month until the option is fully vested.

(2) Stock options vested as to one-third of the options on May 16, 2015 and will vest as to one-third of the options on each of May 16, 2016, and May 16, 2017.

(3) Stock options vest as to one-third of the options on July 16, 2015, July 16, 2016, and July 16, 2017.

Name	Grant Date	Outstanding Stock Awards — Time-Based Vesting Awards: Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Performance-Based Vesting Awards: Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Andrew Wilson	6/18/2012	—	—	50,000[1]	2,912,000
	6/17/2013	—	—	100,000[1]	5,824,000
	6/16/2014	—	—	112,044[1]	6,525,443
	6/18/2012	25,000[2]	1,456,000	—	—
	7/27/2012	225,000[3]	13,104,000	—	—
	6/17/2013	50,000[2]	2,912,000	—	—
	6/16/2014	112,044[2]	6,525,443	—	—
Blake Jorgensen	6/17/2013	—	—	86,667[1]	5,047,486
	6/16/2014	—	—	49,018[1]	2,854,808
	9/17/2012	100,000[4]	5,824,000	—	—
	6/17/2013	43,334[2]	2,523,772	—	—
	2/18/2014	225,000[5]	13,104,000	—	—
	6/16/2014	49,019[2]	2,854,867	—	—
Patrick Söderlund	6/18/2012	—	—	50,000[1]	2,912,000
	6/17/2013	—	—	100,000[1]	5,824,000
	6/16/2014	—	—	84,032[1]	4,894,024
	6/18/2012	25,000[2]	1,456,000	—	—
	7/27/2012	225,000[3]	13,104,000	—	—
	6/17/2013	50,000[2]	2,912,000	—	—
	6/16/2014	84,033[2]	4,894,082	—	—
Peter Moore	6/18/2012	—	—	50,000[1]	2,912,000
	6/17/2013	—	—	86,667[1]	5,047,486
	6/16/2014	—	—	42,016[1]	2,447,012
	6/18/2012	25,000[2]	1,456,000	—	—
	6/17/2013	43,334[2]	2,523,772	—	—
	6/16/2014	42,016[2]	2,447,012	—	—
Kenneth Moss	7/16/2014	101,024[6]	5,883,638	—	—

(1) Represents PRSUs at the maximum achievement level of 200% of target. The number of PRSUs that vest is based on EA's Relative NASDAQ-100 TSR. For additional information regarding the specific terms of the PRSUs granted to our NEOs in fiscal 2015, see the discussion of "PRSUs" in the "Compensation Discussion and Analysis" above.

(2) Represents an award of RSUs that vested or will vest as to one-third of the units one month prior to each of the first three anniversaries of the grant date.

(3) RSUs vested as to 100% of the units on May 18, 2015.

(4) Represents an award of RSUs that vested or will vest as to one-fourth of the units on each of the first four anniversaries of the grant date.

(5) RSUs that vest as to 100% of the units on February 18, 2017.

(6) Represents an award of RSUs that vested as to 25% of the units on January 16, 2015, and will vest as to 35% on July 16, 2015, 20% on July 16, 2015, and 20% on July 16, 2017.

FISCAL 2015 OPTION EXERCISES AND STOCK VESTED TABLE

The following table shows all stock options exercised and value realized upon exercise, as well as all RSUs and PRSUs vested and value realized upon vesting by our NEOs during fiscal 2015.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)(1)	Number of Shares Acquired on Vesting (#)(2)	Value Realized on Vesting ($)(3)
Andrew Wilson	—	—	160,334	5,500,236
Blake Jorgensen	—	—	101,781	3,634,338
Patrick Söderlund	70,000	2,070,930	172,500	5,911,325
Peter Moore	112,589	472,615	158,464	5,431,869
Kenneth Moss	—	—	33,674	1,570,555

(1) The value realized upon the exercise of stock options is calculated by: (a) subtracting the option exercise price from the market value on the date of exercise to determine the realized value per share, and (b) multiplying the realized value per share by the number of shares underlying the options exercised.

(2) Represents shares of EA common stock released upon vesting of RSUs and PRSUs during fiscal 2015.

(3) The value realized upon vesting of RSUs and PRSUs is calculated by multiplying the number of RSUs and PRSUs vested by the prior day's closing price of EA common stock on the vest date.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL

Electronic Arts Key Employee Continuity Plan

Our NEOs participate in the Electronic Arts Inc. Key Employee Continuity Plan (the "CoC Plan"). The CoC Plan is a "double-trigger" plan, which provides our NEOs with payments and benefits if their employment is terminated without "cause" or if they resign for "good reason" during the 12-month period following a change of control or their employment is terminated without "cause" during the two-month period preceding a change of control of the Company. The CoC Plan payments and benefits include a cash severance payment, continued health benefits for up to 18 months and full vesting of all outstanding and unvested equity awards (other than performance-based awards, the vesting of which is described below):

The CoC Plan does not provide for any additional payments or benefits (for example, tax gross-ups or reimbursements) in the event that the payments under the CoC Plan and other arrangements offered by the Company or its affiliates cause an executive officer to owe an excise tax under Section 280G of the Internal Revenue Code ("Section 280G"). However, the CoC Plan provides that, if an executive officer would receive a greater net after-tax benefit by having his or her CoC Plan payments reduced to an amount that would avoid the imposition of the Section 280G excise tax, his or her payment will be reduced accordingly.

As a condition to our NEOs' right to receive the payments and benefits provided under the CoC Plan, the NEO is required to execute a waiver of claims against the Company and will be bound by the terms of a non-solicitation agreement prohibiting the executive for a one-year period following his or her termination of employment from soliciting employees to leave the Company.

PRSUs

Pursuant to the terms of the PRSUs, and subject to the timely execution of a severance agreement and release, in the event of a change of control of the Company prior to the expiration of the three-year Vesting Measurement Period, the Company's Relative NASDAQ-100 TSR as of the effective date of the change of control will be applied to determine the number of shares that vest at each remaining Vesting Opportunity in the three-year Vesting Measurement Period. If the NEO is terminated without "cause" or resigns for "good reason" prior to the first anniversary of the change of control, the PRSUs will accelerate upon the date on which the NEO is terminated or resigns. If the NEO is terminated without cause prior to the two month anniversary of the change of control (and the Compensation Committee determines the termination was made in connection with the change in control), the PRSUs will accelerate upon the date on which the NEO is terminated. The reduction of recipient's awards in respect of Section 280G is applied in the same manner with respect to PRSUs as under the CoC Plan.

The following table sets forth potential payments under the CoC Plan and the terms of the PRSUs, as described above, to our NEOs (upon termination of employment without "cause" or for "good reason") in connection with a change of control of the Company. For purposes of the table below, we have assumed a termination date of March 27, 2015, the last business day of fiscal 2015. The closing price of our common stock on March 27, 2015 (the last trading day of fiscal 2015) was $58.24.

Name	Cash Severance Award ($)(1)	Stock Options ($)(2)	RSUs ($)(3)	PRSUs ($)(4)	Other ($)(5)	Total ($)
Andrew Wilson	3,337,500	25,503,608	23,997,443	30,522,885	118,889	83,480,325
Blake Jorgensen	2,092,500	1,640,799	24,306,639	12,949,780	90,249	41,079,967
Patrick Söderlund	1,639,146	2,812,812	22,366,082	27,260,047	168,832	54,246,919
Peter Moore	2,005,001	1,406,406	6,426,784	20,812,996	175,737	30,826,924
Kenneth Moss	1,289,063	2,594,592	5,883,638	—	46,475	9,813,768

(1) Represents the sum of each NEO's annual base salary as of March 27, 2015 and target non-equity incentive opportunity for fiscal 2015, as set forth in the "Fiscal 2015 Summary Compensation Table" and the "Fiscal 2015 Grants of Plan-Based Awards Table", respectively, multiplied by 1.5 with respect to Messrs. Wilson, Jorgensen, Söderlund, Moore and Moss.

(2) Represents unvested outstanding options that would accelerate and vest on a qualifying termination in connection with a change of control occurring as of March 27, 2015.

(3) Represents the value of unvested time-based RSUs that would accelerate and vest on a qualifying termination of employment in connection with a change of control occurring on March 27, 2015 as calculated by multiplying the number of time-based RSUs that would accelerate by the per-share closing price of our common stock on March 27, 2015.

(4) Represents the value of unvested PRSUs that would accelerate and vest on a qualifying termination of employment in connection with a change of control occurring on March 27, 2015. For purposes of the table, we have used EA's Relative NASDAQ-100 TSR Percentiles as of March 27, 2015, which was in the 95th percentile with respect to PRSUs granted in fiscal 2013, the 96th percentile with respect to PRSUs granted in fiscal 2014 and the 97th percentile with respect to PRSUs granted in fiscal 2015. Based on these Relative NASDAQ-100 TSR Percentiles, the PRSUs granted Messrs. Wilson, Moore and Söderlund in fiscal 2013 would accelerate and vest as to 200% of the target number of shares for each remaining vest date in the performance period, and the PRSUs granted to Messrs. Wilson, Jorgensen, Moore and Söderlund in fiscal 2014 and fiscal 2015, respectively, would each accelerate and vest as to 200% of the target number of shares for each remaining vest date in their respective performance periods.

(5) Includes 18 months of post-termination health benefits and accrued paid time off or vacation benefits, as applicable.

Proxy Statement

EQUITY COMPENSATION PLAN INFORMATION

We have two equity incentive plans (excluding plans assumed or adopted by EA in connection with acquisitions, as described in the footnotes below) that have been approved by our stockholders and under which our common stock is or has been authorized for issuance to employees or directors: the 2000 Equity Incentive Plan and the 2000 Employee Stock Purchase Plan.

The following table and related footnotes gives aggregate information regarding grants under all of our equity incentive plans as of the end of fiscal 2015, including the 2000 Equity Incentive Plan and the 2000 Employee Stock Purchase Plan.

Plan Category(1)	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column A)
	(A)	(B)	(C)
Equity compensation plans approved by security holders	17,090,196(2)	$37.40(3)	25,322,945(4)
Total	17,090,196(5)		25,322,945

(1) The table does not include information for equity incentive plans we assumed in connection with our acquisitions of JAMDAT Mobile Inc. in 2006 and VG Holding Corp. in 2008. As of March 28, 2015, a total of: (a) 8,511 shares were issuable upon exercise of outstanding options issued under the JAMDAT 2004 Equity Incentive Plan (the "JAMDAT Plan") with a weighted-average exercise price of $53.34; and (b) a total of 1,434 shares were issuable upon exercise of outstanding options under the VG Holding Corp. 2005 Stock Incentive Plan, as amended (the "VGH Plan") with a weighted-average exercise price of $58.14. No shares remain available for issuance under the JAMDAT Plan and no further grants will be made under the VGH Plan.

(2) Includes (a) 4,910,452 shares of common stock issuable upon exercise of outstanding options under the 2000 Equity Incentive Plan, with a weighted-average exercise price of $37.40; and (b) 12,179,744 unvested restricted stock awards outstanding under the 2000 Equity Incentive Plan.

(3) RSUs and PRSUs do not have an exercise price and therefore are not included in the calculation of the weighted-average exercise price.

(4) Includes (a) 19,199,033 shares available for issuance under the 2000 Equity Incentive Plan and (b) 6,123,912 shares available for purchase by our employees under the 2000 Employee Stock Purchase Plan. Each RSU and PRSU granted reduces the number of shares available for issuance under our 2000 Equity Incentive Plan by 1.43 shares and each stock option granted reduces the number of shares available for issuance under our 2000 Equity Incentive Plan by 1 share.

(5) The total number of securities to be issued upon exercise of outstanding options, warrants, and rights, including the total number of securities referenced in footnote (1), above, is 17,100,141.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows, as of May 29, 2015, the number of shares of our common stock owned by our directors, NEOs, our current directors and executive officers as a group, and beneficial owners known to us holding more than 5% of our common stock. As of May 29, 2015, there were 312,478,429 shares of our common stock outstanding. Except as otherwise indicated, the address for each of our directors and executive officers is c/o Electronic Arts Inc., 209 Redwood Shores Parkway, Redwood City, CA 94065.

Stockholder Name	Shares Owned(1)	Right to Acquire(2)	Percent of Outstanding Shares(3)
The Vanguard Group, Inc.(4)	25,496,247	—	8.2
Jay C. Hoag(5)	7,017,191	—	2.2
Lawrence F. Probst III(6)	727,071	327,551	*
Andrew Wilson	312,118	455,463	*
Blake Jorgensen	105,736	24,265	*
Patrick Söderlund	173,021	111,597	*
Peter Moore	186,815	20,798	*
Kenneth Moss	21,284	88,094	*
Jeffrey T. Huber	62,966	19,600	*
Vivek Paul	15,743	44,300	*
Richard A. Simonson	21,768	44,300	*
Leonard S. Coleman	13,296	76,400	*
Denise F. Warren	10,000	—	*
Luis A. Ubiñas	—	37,500	*
All executive officers and directors as a group (19) persons(7)	12,087,140	1,337,982	4.3

* Less than 1%

(1) Unless otherwise indicated in the footnotes, includes shares of common stock for which the named person has sole or shared voting and investment power. This column excludes shares of common stock that may be acquired through stock option exercises, which are included in the column "Right to Acquire".

(2) Includes (a) shares of common stock that may be acquired through stock option exercises within 60 days of May 29, 2015, (b) in the case of each of Messrs. Paul and Simonson, reflects 44,300 RSUs that have vested but have been deferred, (c) in the case of Mr. Coleman, reflects 41,200 RSUs that have vested but have been deferred, and (d) in the case of Mr. Ubiñas, reflects 37,500 RSUs that have vested but have been deferred.

(3) Calculated based on the total number of shares owned plus the number of shares that may be acquired through stock option exercises and the release of vested RSUs within 60 days of May 29, 2015.

(4) As of March 31, 2015, based on information contained in a report on Form 13F/A filed with the SEC on May 15, 2015 by Vanguard Group Inc. The address for Vanguard Group Inc. is PO Box 2600, V26, Valley Forge, PA 19482-2600.

(5) Represents 7,017,191 shares of common stock held by entities affiliated with Technology Crossover Ventures as follows: (i) 394 shares of common stock directly held by Jay C. Hoag but which TCV Management 2004, L.L.C. ("TCV Management 2004"), TCV VI Management, L.L.C. ("TCV VI Management") and TCV VII Management, L.L.C. ("TCV VII Management", and together with TCV Management 2004 and TCV VI Management, the "Management Companies") collectively own 100% of the pecuniary interest therein, (ii) 4,464 shares of common stock held by TCV Management 2004, (iii) 4,464 shares of common stock held by TCV VI Management, (iv) 14,842 shares of common stock held by TCV VII Management, (v) 1,191,858 shares of common stock held by TCV V, L.P., (vi) 1,205,562 shares of common stock held by TCV VI, L.P., (vii) 2,940,098 shares of common stock held by TCV VII, L.P., (viii) 1,526,864 shares of common stock held by TCV VII (A), L.P., (ix) 57,893 shares of common stock held by TCV Member Fund, L.P. (together with TCV V, L.P., TCV VI, L.P., TCV VII, L.P. and TCV VII (A), L.P., the "TCV Funds"), (x) 52,621 shares held by the Hoag Family Trust U/A Dtd 8/2/94 (the "Hoag Family Trust"), (xi) 17,248 shares held by Hamilton Investments Limited Partnership and (xii) 883 shares held by Hamilton Investments II, Limited Partnership (collectively with Hamilton Investments Limited Partnership, the "Hamilton Investments Entities"). Mr. Hoag, a director of the Company, is a member of each of the Management Companies but disclaims beneficial ownership of the shares held or beneficially owned by such entities except to the extent of his pecuniary interest therein. Mr. Hoag is a trustee of Hoag Family Trust and a general partner and limited partner of each of the Hamilton Investments Entities, but disclaims beneficial ownership of the shares held or beneficially owned by such entities except to the extent of his pecuniary interest therein.

Technology Crossover Management V, L.L.C. ("TCM V") is the general partner of TCV V, L.P. Technology Crossover Management VI, L.L.C. ("TCM VI") is the general partner of TCV VI, L.P. Technology Crossover Management VII, Ltd. ("Management VII") is the general partner of Technology Crossover Management VII, L.P. ("TCM VII"), which, in turn, is the general partner of each of TCV VII, L.P. and TCV VII (A), L.P. Each of TCM V, TCV VI and Management VII is a general partner of TCV Member Fund, L.P. Mr. Hoag is a Class A Member of each of TCM V and TCM VI and a Class A Director of Management VII as well as a limited partner of each TCM VII and TCV Member Fund, L.P. Together with the other Class A Members or Class A Directors, as applicable, Mr. Hoag shares voting and dispositive power with respect to the TCV Funds. Mr. Hoag, TCM V, TCM VI and Management VII disclaim beneficial ownership of any shares held by the TCV Funds except to the extent of their respective pecuniary interests therein.

The address for each of Mr. Hoag, the Management Companies and the TCV Funds is c/o Technology Crossover Ventures, 528 Ramona Street, Palo Alto, CA 94301.

(6) Includes 167,451 shares of common stock held directly by Mr. Probst, 73,238 shares of common stock held by Mr. Probst's grantor's retained annuity trust, in which 29,295 shares are held in trust for Lawrence F. Probst IV and 43,943 shares are held in trust for Scott Probst; 16,669 shares of common stock are held by Mr. Probst's spouse; and 469,713 shares of common stock are held by the Probst Family L.P. of which Mr. Probst is a partner.

(7) Includes all executive officers and directors of EA as of May 29, 2015.

PROPOSALS TO BE VOTED ON

PROPOSAL 1: ELECTION OF DIRECTORS

At the Annual Meeting, stockholders will elect nine directors to hold office for a one-year term until the next annual meeting (or until their respective successors are elected and qualified). All nominees have consented to serve a one-year term, if elected. For additional information regarding the nominees and our corporate governance practices, including our director resignation policies, please see the sections of this Proxy Statement entitled “2015 Proxy Statement Summary and Highlights”, Commonly Asked Questions and Answers” and “Board of Directors and Corporate Governance”.

The Board of Directors has nominated the following directors to stand for re-election:

- Leonard S. Coleman
- Jay C. Hoag
- Jeffrey T. Huber
- Vivek Paul
- Lawrence F. Probst III
- Richard A. Simonson
- Luis A. Ubiñas
- Denise F. Warren
- Andrew Wilson

The Board of Directors recommends a vote FOR each of the nominees

Required Vote

The 2015 election of directors will be uncontested. Accordingly, EA’s bylaws provide that in an uncontested election of directors each nominee must receive more votes cast “for” than “against” his or her re-election in order to be re-elected to the Board of Directors. Shares represented by your proxy will be voted by the proxy holders “for” the election of the nine nominees recommended by EA’s Board of Directors unless you vote “against” any or all of such nominees or you mark your proxy to “abstain” from so voting. Abstentions and broker non-votes will have no effect on the outcome of the director elections.

PROPOSAL 2: ADVISORY VOTE ON THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS

In accordance with the SEC's proxy rules, we are seeking an advisory, non-binding stockholder vote with respect to the compensation of our NEOs for fiscal 2015. This vote, which is undertaken by us annually, is not intended to address any specific item of compensation, but rather the overall compensation of our NEOs and the compensation philosophy, policies and practices, as disclosed in this Proxy Statement.

We have previously submitted advisory say-on-pay proposals for each fiscal year beginning with fiscal 2011 and have received majority stockholder support for the compensation of our NEOs for each of these years. At our 2014 Annual Meeting, the percentage of votes cast "For" our advisory say on pay resolution was 55% as compared to 92% in the prior year.

2014 Say On Pay Vote, Our Investor Outreach Program and Resulting Compensation Changes

As we discuss in detail beginning on page 25 of this Proxy Statement, in connection with the say on pay vote at our 2014 Annual Meeting, our directors and management spoke with stockholders representing approximately 53% of our stock to discuss our executive compensation programs as part of our ongoing stockholder outreach.

The Compensation Committee considered this input, along with a wide variety of other factors, and made changes to our program. These changes, implemented for fiscal year 2016, eliminated stock options from the annual equity awards granted to our executive officers and increased the percentage of PRSUs from 25% to 50% with vesting tied to the Company's total stockholder return ("TSR") over one-, two- and three-year periods. These changes were implemented for equity awards made in early fiscal 2016, and as a result will be fully reflected in the compensation disclosures in next year's proxy statement. In addition, the Board and the Compensation Committee added a cash flow metric to the financial objectives of our NEOs' fiscal 2016 cash bonuses.

We believe that the Compensation Committee and the Board have responded to our 2014 say on pay vote in a manner that addresses stockholder concerns. The Compensation Committee and the Board are committed to maintaining a pay-for-performance alignment in our executive compensation programs and continue to solicit feedback from our stockholders regarding our programs and practices.

We encourage you to read the "Compensation Discussion and Analysis" at pages 24 through 38 for additional details on our executive compensation programs and the fiscal 2015 compensation of our NEOs.

We believe our compensation programs and policies for fiscal 2015 were consistent with our core compensation principles, supported by strong compensation governance practices and are worthy of continued stockholder support. Accordingly, we ask for our stockholders to indicate their support for the compensation paid to our NEOs, by voting "FOR" the following resolution at the Annual Meeting:

"RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the named executive officers for fiscal 2015, as disclosed in the Compensation Discussion and Analysis, the compensation tables and the related narrative disclosures in this Proxy Statement."

Although the vote is advisory and non-binding, our Board of Directors and Compensation Committee value the opinions of our stockholders and will consider the outcome of the vote, along with other relevant factors, in evaluating the future compensation of our NEOs.

The Board recommends a vote FOR the approval of the foregoing resolution

Advisory Vote

Approval of this proposal requires the affirmative vote of a majority of the voting shares present at the meeting in person or by proxy and voting for or against the proposal.

PROPOSAL 3: RATIFICATION OF THE APPOINTMENT OF KPMG LLP, INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP has audited the financial statements of the Company and its consolidated subsidiaries since fiscal 1987. The Board of Directors, through the Audit Committee, has appointed KPMG LLP as the Company's independent auditors for the fiscal year ending March 31, 2016. The Audit Committee and the Board of Directors believe that KPMG LLP's long-term knowledge of EA and its subsidiaries is valuable to the Company as discussed further below. Representatives of KPMG LLP have direct access to members of the Audit Committee and the Board of Directors. We expect one or more representatives of KPMG LLP to attend the Annual Meeting in order to respond to appropriate questions from stockholders and make a statement if they desire to do so.

Ratification of the appointment of KPMG LLP as our independent auditors is not required by our bylaws or otherwise. The Board of Directors has determined to submit this proposal to the stockholders as a matter of good corporate practice. If the stockholders do not ratify the appointment, the Audit Committee will review its future selection of auditors. Even if the appointment is ratified, the Audit Committee may, in its discretion, direct the appointment of different independent auditors at any time during the year if it determines that such a change would be in the best interests of the Company and the stockholders.

Fees of Independent Auditors

The aggregate fees billed for the last two fiscal years for each of the following categories of services are set forth below:

Description of Fees	Year Ended March 31, 2015	Year Ended March 31, 2014
Audit Fees[1]		
Worldwide audit fee	$4,698,000	$4,640,000
Accounting concurrence and regulatory matters	75,000	67,000
Total Audit Fees	4,773,000	4,707,000
Tax Fees[2]		
Compliance	422,000	505,000
Total Tax Fees	422,000	505,000
Total All Fees	$5,195,000	$5,212,000

(1) Audit Fees: This category includes the annual audit of the Company's financial statements and internal controls over financial reporting (including quarterly reviews of financial statements included in the Company's quarterly reports on Form 10-Q), and services normally provided by the independent auditors in connection with regulatory filings. This category also includes consultation on matters that arose during, or as a result of the audit or review of financial statements, statutory audits required for our non-US subsidiaries, and services associated with our periodic reports and other documents filed with the SEC and foreign filings, as well as Sarbanes-Oxley Section 404 compliance consultation.

(2) Tax Fees: This category includes compliance services rendered for U.S. and foreign tax compliance and returns, and transfer pricing documentation.

Services Provided by the Independent Auditor

KPMG LLP audits our consolidated operations and provides statutory audits for 30 legal entities within our international corporate structure. Having one audit firm with a strong global presence responsible for these audits ensures that a coordinated approach is used to address issues that may impact our businesses across multiple geographies and legal entities. Few audit firms have the knowledge of our sector and the capability of servicing our global audit requirements. KPMG LLP has the geographical scope that our operations require and the accounting expertise in the matters relevant to our sector. In addition, KPMG LLP's experience working with the Company gives them the institutional knowledge to understand our operations and processes, which we believe helps them address the relevant issues and improves the quality of the audit.

In appointing KPMG LLP as our independent auditors for fiscal 2016, the Audit Committee and the Board of Directors have considered the performance of KPMG LLP in fiscal 2015, as well as in prior years, and have taken into account the alternative options available to the Company. The Audit Committee and the Board of Directors have determined that it is in the best interest of the Company to continue KPMG LLP's engagement.

We believe the experience and expertise held by the members of the Audit Committee give them the necessary skills to evaluate the relationship between the Company and its independent auditors and to oversee auditor independence. In addition, the Audit Committee is empowered under its charter to obtain advice and assistance from outside legal, accounting and other advisors as it deems appropriate.

At each meeting of the Audit Committee, Company management is provided the opportunity to meet in private session with the Audit Committee to discuss any issues relating to KPMG LLP's engagement. Similarly, KPMG LLP regularly meets in private session with the Audit Committee with no members of Company management present.

Audit Partner Rotation

Our KPMG LLP lead audit partner has been working on the Company's audit since the first quarter of fiscal 2011, and completed his rotation upon the filing of the Annual Report. The Audit Committee approved a new lead audit partner, who commenced work on the Company's audit in the first quarter of fiscal 2016. In the first quarter of fiscal 2015, the Audit Committee approved a new concurring audit partner for the Company. Audit partners may serve a maximum of five years on the Company's audit. Candidates are proposed by KPMG LLP based on their expertise and experience and are vetted by Company management and a recommendation is made to the Audit Committee. The Audit Committee has final approval of the lead audit partner and the concurring audit partner.

Pre-approval Procedures

The Audit Committee is required to pre-approve the engagement of, and has engaged, KPMG LLP to perform audit and other services for the Company and its subsidiaries. The Company's procedures for the pre-approval by the Audit Committee of all services provided by KPMG LLP comply with SEC regulations regarding pre-approval of services. Services subject to these SEC requirements include audit services, audit-related services, tax services and other services. The audit engagement is specifically approved and the auditors are retained by the Audit Committee. In some cases, pre-approval for a particular category or group of services is provided by the Audit Committee for up to a year, subject to a specific budget and to regular management reporting. In other cases, the Chairman of the Audit Committee has the delegated authority from the Audit Committee to pre-approve additional services up to a specified dollar limit, and such pre-approvals are then communicated to the full Audit Committee. The Audit Committee reviews quarterly the status of all pre-approved services to date and approves any new services to be provided.

In determining whether to approve additional non-audit services, the Audit Committee considers the level of non-audit fees incurred to date as a percentage of the total annual fees paid to KPMG LLP. In addition, the Audit Committee considers additional factors to assess the potential impact on auditor independence of KPMG LLP performing such services, including whether the services are permitted under the rules and recommendations of the Public Company Accounting Oversight Board, the American Institute of Certified Public Accountants, and the NASDAQ Stock Market, whether the proposed services are permitted under EA's policies, and whether the proposed services are consistent with the principles of the SEC's auditor independence rules. The Company also annually confirms with each of its directors and executive officers whether there are any relationships that they are aware of with KPMG LLP that may impact the auditor independence evaluation. The Audit Committee considered and determined that fees for services other than audit and audit-related services paid to KPMG LLP in fiscal 2015 are compatible with maintaining KPMG LLP's independence.

The Board of Directors recommends a vote FOR the ratification of KPMG LLP as our independent auditors for the fiscal year ending March 31, 2016

Required Vote

Approval of this proposal requires the affirmative vote of a majority of the voting shares present at the meeting in person or by proxy and voting for or against the proposal.

PROPOSAL 4: STOCKHOLDER PROPOSAL

We have received a joint stockholder proposal from The Comptroller of the City of New York, Municipal Building, One Centre Street, Room 629, New York, N.Y., 10007-2341 (the "New York Comptroller") and the Illinois State Board of Investment, 180 North LaSalle Street, Suite 215, Chicago, IL 60601 (the "Illinois Board"). The New York Comptroller has advised the Company that it is the custodian and trustee of the New York City Employees' Retirement System, the New York City Fire Department Pension Fund, the New York City Teachers' Retirement System and the New York City Police Pension Fund and custodian of the New York City Board of Education Retirement System (the "Systems"). The Systems and the Illinois Board have each advised the Company that they are the beneficial owners of at least $2,000 in market value of the Company's common stock, and that they intend to present the following stockholder proposal at the Annual Meeting.

The text of the stockholder proposal and supporting statement appear exactly as received by the Company unless otherwise noted. All statements contained in the stockholder proposal and supporting statement are the sole responsibility of the proponents.

Proposal No. 4 — Proxy Access for Shareholders

RESOLVED: Shareholders of Electronic Arts Inc. (the "Company") ask the board of directors (the "Board) to adopt, and present for shareholder approval, a "proxy access" bylaw. Such a bylaw shall require the Company to include in proxy materials prepared for a shareholder meeting at which directors are to be elected the name, Disclosure and Statement (as defined herein) of any person nominated for election to the board by a shareholder or group (the "Nominator") that meets the criteria established below. The Company shall allow shareholders to vote on such nominee on the Company's proxy card.

The number of shareholder-nominated candidates appearing in proxy materials shall not exceed one quarter of the directors then serving. This bylaw, which shall supplement existing rights under Company bylaws, should provide that a Nominator must:

a) have beneficially owned 3% or more of the Company's outstanding common stock continuously for at least three years before submitting the nomination;

b) give the Company, within the time period identified in the bylaws, written notice of the information required by the bylaws and any Securities and Exchange Commission rules about (i) the nominee, including consent to being named in the proxy materials and to serving as director if elected; and (ii) the Nominator, including proof it owns the required shares (the "Disclosure"); and

c) certify that (i) it will assume liability stemming from any legal or regulatory violation arising out of the Nominator's communications with the Company shareholders, including the Disclosure and Statement; (ii) it will comply with all applicable laws and regulations if it uses soliciting material other than the Company's proxy materials; and (c) to the best of its knowledge the required shares were acquired in the ordinary course of business and not to change or influence control at the Company.

The Nominator may submit with the Disclosure a statement not exceeding 500 words in support of the nominee (the "Statement"). The Board shall adopt procedures for promptly resolving disputes over whether notice of a nomination was timely, whether the Disclosure and Statement satisfy the bylaw and applicable federal regulations, and the priority to be given to multiple nominations exceeding the one-quarter limit.

SUPPORTING STATEMENT

We believe proxy access is a fundamental shareholder right that will make directors more accountable and contribute to increased shareholder value. The CFA Institute's 2014 assessment of pertinent academic studies and use of proxy access in other markets similarly concluded that proxy access:

- Would "benefit both the markets and corporate boardrooms, with little cost or disruption."
- Has the potential to raise overall US market capitalization by up to $140.3 billion if adopted market-wide. (http://www.cfapubs.org/doi/pdf/10.2469/ccb.v2014.n9.1)

The proposed bylaw terms enjoy strong investor support — votes for similar shareholder proposals averaged 55% from 2012 through September 2014 — and similar bylaws have been adopted by companies of various sizes across industries, including Chesapeake Energy, Hewlett-Packard, Western Union and Verizon.

We urge shareholders to vote FOR this proposal.

The Company's Statement in Opposition to Proposal No. 4

We recognize that proxy access is an active topic of discussion among stockholders and companies. We have been engaged in this discussion with our stockholders over the past several months as a part of our ongoing stockholder outreach efforts, and it is clear to us that there is a variety of views on the matter. As important as this issue is to investors, it is equally important to our Company. Proxy access would represent a significant fixture within our Company's governance framework. It is critical that we strike an appropriate balance between ensuring this right is actually useable by stockholders while minimizing the potential for abuse and disruption.

Our active dialogue with our stockholders has revealed differing views on proxy access.

Our Board of Directors believes that consideration of implementing proxy access rights should be deliberate and measured, involving consultation with stockholders, review of marketplace developments, and full consideration of unintended consequences.

During conversations with our stockholders, we discussed their views on proxy access bylaws, including whether they support such bylaws and if so, what ownership thresholds, holding periods and aggregation principles they believe are appropriate. The stockholders we have spoken with thus far, including some of our largest holders, have expressed differences on these issues.

We believe the process by which companies are being asked to adopt proxy access rights is unsettled and developing rapidly. While there have been many outspoken voices in this debate, many important stakeholders have not weighed in, and we expect further action on these issues before the dust settles. Thus, we are approaching the issue diligently but cautiously.

EA is performing well and it's critical that we avoid distractions in pursuing our strategic goals.

At this time in our Company's trajectory, we are particularly sensitive to disrupting the momentum that we have achieved working together with our Board. Fiscal 2015 was a year of exceptional performance for EA – we achieved record net revenue, digital net revenue and operating cash flow; our share price increased by 104% making us the 4th best performing stock in the S&P 500 Index over that time period. Our stockholders benefit from our clear focus, as evidenced by the new $1 billion share repurchase program we announced in May. We are committed to delivering stockholder value, and our Board and management take their accountability to stockholders seriously.

The proponents' version of proxy access is not the best framework for EA.

Our Board is open to considering an appropriate proxy access provision that is appropriately tailored to EA to enhance the rights of significant, long-term stockholders without unduly inserting potential for disruptions associated with unnecessary contests in director elections.

The proposal for proxy access offered by the proponents is not the right structure for EA at this time for the following reasons:

- **Allows unlimited number of stockholders to act as a group:** A 3% ownership threshold without reasonable limits on grouping may provide stockholders with nomination rights that are disproportionate to their ownership. Allowing an unlimited number of stockholders to act as a group undermines the principal that proxy access should be available only to those who have a sufficient financial stake to cause their interests to be aligned with the interests of our stockholders as a whole.
- **Permits an excessive number of stockholder-proposed candidates, up to 25% of the Board every year:** This high threshold risks introducing a disruptive and potentially destabilizing dynamic into the Board election process. A significant number of companies that have enacted proxy access have done so at a level below 25%.
- **Lack of information requirements in order to assess independence and potential conflicts:** The proposal lacks necessary protections relating to the independence of a stockholder nominee or information to be provided to the Company with respect to a nomination.

- **No requirements regarding ownership retention:** There is no requirement that nominating stockholders retain ownership of their shares through the meeting date, potentially creating a misalignment between the interests of the nominating stockholder and the other stockholders of the Company.
- **No fiduciary obligations:** When recommending director candidates, the independent members of our Nominating and Governance Committee owe fiduciary duties to all of our stockholders. In contrast, stockholders and stockholder groups invoking the proposed proxy access process would have no fiduciary obligations to other stockholders and may cause EA considerable expense and distraction, while serving only such stockholders' own interests.

EA's strong corporate governance practices ensure that the Board remains accountable and responsive to stockholders.

We note that the New York Comptroller submitted substantially identical versions of the proposal to over eighty companies for various reasons, failing to draw any distinction between the specific circumstances, company performance and governance profiles of each individual company. Further, the reason stated by the New York Comptroller for submitting the proposal to EA has nothing to do with the EA's governance practices or procedures or the current composition of our Board. This proposal therefore does not take into account the Board's actions to develop a strong corporate governance profile that promotes accountability and responsiveness to stockholders. In recommending that you vote against this proxy access proposal, the Board took into account the following factors that underscore the Company's strong governance profile:

- **Active Stockholder Engagement Program:** We actively engage with our stockholders on an ongoing basis to solicit their feedback regarding issues including executive compensation and corporate governance and have taken actions to implement stockholder feedback when warranted.
- **Robust Lead Director Structure:** Our Lead Director, who is selected by the independent directors, has clearly enumerated powers and authorities, such as chairing executive sessions of the Board and the ability to call meetings of the independent directors.
- **Majority-Independent Board of Directors:** 7 of our 9 directors are independent under SEC and NASDAQ rules and have deep expertise in gaming, technology, finance, media, sports, investments, and value creation.
- **Strong Director Succession and Board Refreshment Practices:** Our Board is not stale. 44% of our Board is comprised of directors, who have joined within the last five years.
- **Diverse Board.** Our Board reflects diversity in experience, skills, race, ethnicity, age and gender.
- **Annual Election of Board:** All of our directors are elected annually by our stockholders.
- **Majority Voting:** We have a majority voting standard for the election of directors in uncontested elections and equal voting rights for all shareholders.
- **No Supermajority Provisions:** Our governance documents do not contain provisions requiring a supermajority stockholder vote on any issue.
- **No Stockholder Rights Plan:** We do not maintain a stockholder rights plan.

We believe the best course of action for EA at this time is to continue discussions with our stockholders and our review of developing market practices in order to ensure that any significant change to our current governance framework is appropriately tailored and in the best interest of the Company.

The Board of Directors recommends a vote AGAINST the stockholder proposal

Required Vote

Approval of this proposal requires the affirmative vote of a majority of the voting shares present at the meeting in person or by proxy and voting for or against the proposal.

APPENDIX A:

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO THE MOST DIRECTLY COMPARABLE GAAP FINANCIAL MEASURES

	Fiscal Year Ended March 31, 2015
GAAP net revenue	**$4,515**
Change in deferred net revenue (online-enabled games)	(196)
Non-GAAP net revenue	**$4,319**
GAAP total digital net revenue	**$2,199**
Change in deferred net revenue (online-enabled games)	31
Non-GAAP total digital net revenue	**$2,230**
GAAP digital revenue % (as a % of GAAP net revenue)	*49%*
Non-GAAP digital revenue % (as a % of non-GAAP net revenue)	*52%*
GAAP mobile digital net revenue	**$ 501**
Change in deferred net revenue (online-enabled games)	23
Non-GAAP mobile digital net revenue	**$ 524**
GAAP gross profit	**$3,086**
Acquisition-related expenses	52
Change in deferred net revenue (online-enabled games)	(196)
Loss on licensed intellectual property commitment (COGS)	122
Stock-based compensation	2
Non-GAAP gross profit	**$3,066**
GAAP operating expenses	**$2,138**
Acquisition-related expenses	(11)
College football settlement expenses	5
Stock-based compensation	(142)
Non-GAAP operating expenses	**$1,990**
GAAP operating income	**$ 948**
Acquisition-related expenses	63
Change in deferred net revenue (online-enabled games)	(196)
Loss on licensed intellectual property commitment (COGS)	122
College football settlement expenses	(5)
Stock-based compensation	144
Non-GAAP operating income	**$1,076**
GAAP operating income % (as a % of GAAP net revenue)	*21%*
Non-GAAP operating income % (as a % of non-GAAP net revenue)	*25%*
GAAP net income	**$ 875**
Acquisition-related expenses	63
Amortization of debt discount	22
Change in deferred net revenue (online-enabled games)	(196)
Loss on licensed intellectual property commitment (COGS)	122
College football settlement expenses	(5)
Stock-based compensation	144
Income tax adjustments	(219)
Non-GAAP net income	**$ 806**
GAAP diluted earnings per share	**$ 2.69**
Non-GAAP diluted earnings per share	**$ 2.51**
Number of diluted shares used in computation	
GAAP	325
Non-GAAP	321

About Non-GAAP Financial Measures

To supplement the Company's consolidated financial statements presented in accordance with GAAP, we use 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 we use include: non-GAAP net revenue, non-GAAP gross profit, non-GAAP operating income (loss), non-GAAP net income (loss), non-GAAP diluted earnings (loss) per share and non-GAAP diluted shares. These non-GAAP financial measures exclude the following items (other than Shares from Convertible Bond Hedge, which are included), as applicable in a given reporting period, from the Company's consolidated statements of operations:

- Acquisition-related expenses
- Amortization of debt discount
- Change in deferred net revenue (online-enabled games)
- College football settlement expenses
- Income tax adjustments
- Loss on licensed intellectual property commitment (COGS)
- Shares from Convertible Bond Hedge
- Stock-based compensation

We may consider whether other significant non-recurring items that arise in the future should also be excluded in calculating the non-GAAP financial measures we use.

We believe 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. Our 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. The Company's management team is evaluated on the basis of non-GAAP financial measures and these measures also facilitate comparisons of the Company's performance to prior periods.

In addition to the reasons stated above, which are generally applicable to each of the items we exclude from our non-GAAP financial measures, we believe it is appropriate to exclude certain items for the following reasons:

Acquisition-Related Expenses. GAAP requires expenses to be recognized for various types of events associated with a business acquisition. These events include, expensing acquired intangible assets, including acquired in-process technology, post-closing adjustments associated with changes in the estimated amount of contingent consideration to be paid in an acquisition, and the impairment of accounting goodwill created as a result of an acquisition when future events indicate there has been a decline in its value. When analyzing the operating performance of an acquired entity, Electronic Arts' management focuses on the total return provided by the investment (i.e., operating profit generated from the acquired entity as compared to the purchase price paid including the final amounts paid for contingent consideration) without taking into consideration any allocations made for accounting purposes. When analyzing the operating performance of an acquisition in subsequent periods, the Company's management excludes the GAAP impact of any adjustments to the fair value of these acquisition-related balances to its financial results.

Amortization of Debt Discount on the Convertible Senior Notes. Under GAAP, certain convertible debt instruments that may be settled in cash on conversion are required to be separately accounted for as liability (debt) and equity (conversion option) components of the instrument in a manner that reflects the issuer's non-convertible debt borrowing rate. Accordingly, for GAAP purposes, we are required to amortize as a debt discount an amount equal to the fair value of the conversion option as interest expense on the Company's $632.5 million of 0.75% convertible senior notes that were issued in a private placement in July 2011 over the term of the notes. Electronic Arts' management excludes the effect of this amortization in its non-GAAP financial measures.

Change in Deferred Net Revenue (Online-enabled Games). The majority of our software games can be connected to the Internet whereby a consumer may be able to download unspecified content or updates on a when-and-if-available basis ("unspecified updates") for use with the original game software. In addition, we may also offer an online matchmaking service that permits consumers to play against each other via the Internet. GAAP requires us to account for the consumer's right to receive unspecified updates or the matchmaking service for no additional fee as a "bundled" sale, or multiple-element arrangement. Electronic Arts is not able to objectively determine the fair value of these unspecified updates or online service included in certain of its online-enabled games. As a result, the Company recognizes the revenue from the sale of these online-enabled games on a straight-line basis over the estimated offering period. Electronic Arts' management excludes the impact of the change in deferred net revenue related to online-enabled games in its non-GAAP financial measures for the reasons stated above and also to facilitate an understanding of our operations because all related costs of revenue are expensed as incurred instead of deferred and recognized ratably.

College Football Settlement Expenses. During fiscal 2014, Electronic Arts recognized a $48 million charge for expected litigation settlement and license expenses related to our college football business. This expense is excluded from our non-GAAP financial measures.

Income Tax Adjustments. The Company uses a fixed, long-term projected tax rate internally to evaluate its operating performance, to forecast, plan and analyze future periods, and to assess the performance of its management team. Prior to April 1, 2013, a 28 percent tax rate was applied, and from April 1, 2013 until March 31, 2015, a 25 percent tax rate was applied to its non-GAAP financial results. Based on a re-evaluation of its fixed, long-term projected tax rate, beginning in fiscal year 2016, the Company will apply a tax rate of 22 percent to its non-GAAP financial results.

Losses on Licensed Intellectual Property Commitment. During the first quarter of fiscal 2015, we terminated our right to utilize certain intellectual property that we had previously licensed and we incurred a loss of $122 million on the corresponding license commitment. This expense is excluded from our non-GAAP financial measures.

Shares from Convertible Bond Hedge. In July 2011, we issued convertible senior notes that mature in July 2016 (the "Notes") with an initial conversion price of approximately $31.74 per share. When the quarterly average trading price of our common stock is above $31.74 per share, the potential conversion of the Notes has a dilutive impact on our earnings per share. At the time the Notes were issued, we entered into convertible note hedge transactions (the "Convertible Bond Hedge") to offset the dilutive effect of the Notes. We include the anti-dilutive effect of the Convertible Bond Hedge in determining our non-GAAP dilutive shares.

Stock-Based Compensation. When evaluating the performance of its individual business units, the Company does not consider stock-based compensation charges. Likewise, the Company's management teams exclude stock-based compensation expense from their short and long-term operating plans. In contrast, the Company's management teams are held accountable for cash-based compensation and such amounts are included in their operating plans. Further, when considering the impact of equity award grants, Electronic Arts places a greater emphasis on overall stockholder dilution rather than the accounting charges associated with such grants.

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2014 Annual Report on Form 10-K

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended March 31, 2015

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 000-17948

ELECTRONIC ARTS INC.

(Exact name of registrant as specified in its charter)

Delaware	**94-2838567**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
209 Redwood Shores Parkway Redwood City, California	**94065**
(Address of principal executive offices)	*(Zip Code)*

Registrant's telephone number, including area code:
(650) 628-1500

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $0.01 par value	NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of the registrant's common stock, $0.01 par value, held by non-affiliates of the registrant as of September 26, 2014, the last business day of our second fiscal quarter, was $10,798 million.

As of May 18, 2015, there were 314,608,354 shares of the registrant's common stock, $0.01 par value, outstanding.

Documents Incorporated by Reference

Portions of the registrant's definitive proxy statement for its 2015 Annual Meeting of Stockholders are incorporated by reference into Part III hereof.

ELECTRONIC ARTS INC.
2015 FORM 10-K ANNUAL REPORT

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CAUTIONARY NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, made in this Report are forward looking. Examples of forward-looking statements include statements related to industry prospects, our future economic performance including anticipated revenues and expenditures, results of operations or financial position, and other financial items, our business plans and objectives, including our intended product releases, and may include certain assumptions that underlie the forward-looking statements. We use words such as "anticipate," "believe," "expect," "intend," "estimate" (and the negative of any of these terms), "future" and similar expressions to help identify forward-looking statements. These forward-looking statements are subject to business and economic risk and reflect management's current expectations, and involve subjects that are inherently uncertain and difficult to predict. Our actual results could differ materially from those in the forward-looking statements. We will not necessarily update information if any forward-looking statement later turns out to be inaccurate. Risks and uncertainties that may affect our future results include, but are not limited to, those discussed under the heading "Risk Factors," beginning on page 11.

PART I

Item 1: *Business*

Overview

We develop, market, publish and distribute game software content and services that can be played by consumers on a variety of platforms, including game consoles (such as the PlayStation 3 and PlayStation 4 from Sony, and Xbox 360 and Xbox One from Microsoft), PCs, mobile phones and tablets.

Our Strategy

We have three core strategies:

- Players First
- Commitment to Digital
- One EA

Players First

Players are the foundation of our success, and we are committed to thinking about players first in everything we do. Our goal is to build deep, on-going relationships with our players. We aim to build these relationships by creating amazing games and services that deliver long-lasting fun and enduring value.

Our games and services are based on a portfolio of intellectual property that includes established brands such as Madden NFL, FIFA, Battlefield, Dragon Age, Sims and Need for Speed. In calendar year 2014, we were the top publisher on both Xbox One and PlayStation 4. We achieved this result by delivering award-winning games to our players, including Dragon Age: Inquisition which was named "game of the year" by numerous media outlets, including IGN, Game Informer and the Associated Press. Meanwhile, during fiscal year 2015, we averaged over 165 million monthly active users ("MAUs") on our mobile titles. Information regarding our MAUs is provided under Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operation.

Commitment to Digital

Players increasingly are buying and playing games digitally rather than purchasing disc-based games from retailers. In addition, players are engaging with those games for longer periods of time, as they purchase additional content and services that we provide digitally. This digital transformation is creating new opportunities in platforms, content models and modalities of play. For example, we offer digitally delivered expansion packs for our Battlefield and Sims franchises. Similarly, the Ultimate Team feature in our FIFA, Madden NFL, NHL and NBA games has extended the life of those games by engaging players over longer periods of time.

We are investing in a digital platform, a technology foundation to enable us to deliver content and services for franchises like FIFA and Battlefield while building player relationships that can last for years instead of for days or weeks. That same foundation also enables new player-centric ways to discover and try new experiences, such as EA Access and several offerings associated with our Origin service, including our Great Game Guarantee and On the House programs. We believe that our digital revenue, which is generally higher-margin relative to packaged goods sales revenue, will continue to increase during fiscal year 2016 relative to packaged goods revenue and in absolute terms.

Our players can access our digitally-delivered games and services through several mechanisms. Console games, additional content and enhanced online services can be purchased directly through Sony's PlayStation Network and Microsoft's Xbox LIVE Marketplace. Our PC games and additional content can be downloaded directly through our Origin online platform, as well as through third-party online download stores. Our mobile, tablet and PC free-to-download games and additional content are available through wireless and online delivery, and our large scale, massively multi-player online service is available on a free-to-download and subscription basis.

One EA

The pursuit of our goals requires that we operate as one team that is faster, more focused and constantly evolving, and we are undertaking a cultural shift in our operations and development process in order to become a more flexible organization. We are changing how we develop our games, engaging players through alphas, betas and other programs to seek out more feedback earlier in the game development process. We are also changing the makeup and skill set of our workforce, and combining the art of game-making with the science of managing dynamic live services. These changes have enabled us to continue to increase our operational speed while improving our fiscal discipline.

Our Brands and Platforms

In our games, we utilize established brands that we either wholly own (such as Battlefield, Dragon Age, The Sims and Plants v. Zombies) or license from others (e.g., FIFA, Madden NFL and Star Wars). Leveraging these brands across a diverse range of genres (from casual to role-playing to sports simulation) enables us to build on-going relationships with a wide audience across a broad range of platforms.

We have the ability to deliver our products and services to our consumers across multiple platforms, including consoles, mobile phones, tablets and PCs (both through downloads via our Origin portal and through free-to-download games that can be played directly over the Internet). We believe this flexibility is critical to maintaining and growing our overall consumer base, which continues to evolve in response to the introduction of new platforms and platform business models. In particular, we are expanding the use of popular brands historically associated with console platforms, such as FIFA and Madden NFL, to mobile platforms.

New gaming platforms are expected to continue to emerge in the future. We intend to evaluate new platform publishing opportunities on a case-by-case basis as they emerge.

Global Operations

We were initially incorporated in California in 1982. In September 1991, we were reincorporated under the laws of Delaware. Our principal executive offices are located at 209 Redwood Shores Parkway, Redwood City, California 94065 and our telephone number is (650) 628-1500.

We operate development studios in North America, Europe, Asia and Australia. We also engage third parties to assist with the development of our games and services at their own development and production studios.

Internationally, we conduct business through our international headquarters in Switzerland and have wholly-owned subsidiaries throughout the world, including offices in Europe, Australia, Asia and Latin America.

Our North America net revenue was $1,956 million in fiscal year 2015, as compared to $1,510 million in fiscal year 2014 and $1,701 million in fiscal year 2013. International net revenue (revenue derived from countries other than Canada and the United States) increased by 24 percent to $2,559 million, or 57 percent of total net revenue in fiscal year 2015, as compared to $2,065 million, or 58 percent of total net revenue in fiscal year 2014 and as compared to $2,096 million, or 55 percent of total net revenue in fiscal year 2013. We attribute net revenue from external customers to individual countries based on the location of the legal entity that sells the products and/or services. Note that revenue attributed to the legal entity that makes the sale is often not the country where the consumer resides. For example, revenue generated by our Swiss legal entities includes digital revenue from consumers who reside outside of Switzerland, including consumers who reside outside of Europe. Revenue generated by our Swiss legal entities during fiscal years 2015, 2014, and 2013 represents $1,462 million, $1,171 million and $885 million or 32 percent, 33 percent and 23 percent of our total net revenue, respectively. Revenue generated in the United States represents over 99 percent of our total North America net revenue. There were no other countries with net revenue greater than 10 percent of total net revenue. The amounts of net revenue and long-lived assets attributable to each of our geographic regions for each of the last three fiscal years are set forth in Note 18 of the Notes to Consolidated Financial Statements included in Item 8 of this report.

In fiscal year 2015, revenue from sales of *FIFA 15* represented approximately 15 percent of our total net revenue. In fiscal year 2014, revenue from sales of *FIFA 14* represented approximately 15 percent of our total net revenue. In fiscal year 2013, revenue from sales of *FIFA 13* represented approximately 17 percent of our total net revenue.

For the fiscal years ended March 31, 2015, 2014 and 2013, research and development expenses were $1,094 million, $1,125 million and $1,153 million, respectively.

Information regarding financial data is set forth in Part II, Item 6 of this Form 10-K under the heading "Selected Financial Data," and information regarding certain risks attendant to our foreign operations is set forth in Part II, Item 7 of this Form 10-K under the heading "Financial Results" and "Trends in Our Business".

Our Operating Structure

Our studios and development teams are organized around three divisions: EA Studios, EA Mobile, and Maxis. Each division operates globally with support from our Global Publishing and Marketing organizations, as well as our Digital Platform team.

EA Studios

EA Studios is home to the largest number of our studios and development teams and is responsible for developing games and related content and services across an expansive range of game categories. Our franchises include FIFA, Madden NFL, Need for Speed, Battlefield, Mass Effect, Star Wars and Dragon Age. Our largest studios within the EA Studios organization are located in the United States, Canada and Sweden.

The diverse studios within the EA Studios organization have the goal of operating as one collaborative organization through the use of common technologies and shared development frameworks. We also contract with external game developers for development services or to establish publishing and distribution relationships, such as the one we have with Respawn Entertainment for Titanfall.

EA Mobile

Our EA Mobile organization develops and publishes interactive games for play on mobile phones and tablets, as well as certain casual games for the PC. The Mobile organization's brand portfolio includes wholly owned properties such as Plants vs. Zombies, Real Racing and Bejeweled, as well licensed intellectual properties such as Tetris and The Simpsons. The EA Mobile organization also manages our Pogo online service, through which we offer casual games such as card, puzzle and word games on www.pogo.com, as well as on other platforms. Pogo generates revenue through paid subscriptions, Internet-based advertising and sales of digital content. The EA Mobile organization has studios located in the United States, Canada, China, Australia, Finland and India. Certain mobile games, such as those related to our EA SPORTS franchises, are developed primarily by the EA Studios organization.

Maxis

Our Maxis organization focuses on creating compelling games and related content and services that engage player creativity. The Maxis portfolio includes the wholly-owned franchises The Sims and SimCity. Maxis games are primarily developed at studios in the United States.

Global Publishing and Marketing

Our Global Publishing and Marketing organizations are responsible for the distribution, sales, and marketing of our products and services, including operations, and manufacturing functions, as well as our global media advertising sales business and customer support teams. Mobile game publishing is overseen by our EA Mobile organization.

Digital Platform

Our Digital Platform team is responsible for creating and maintaining a technology foundation that enhances EA's ability to deliver gameplay services and facilitate transactions across platforms for all of our games.

Competition

We compete with other video game companies and with providers of different forms of entertainment, such as motion pictures, television, social networking, online casual entertainment and music, for the leisure time and discretionary spending of consumers. Our competitors vary in size from very small companies with limited resources to very large, diversified corporations with global operations and greater financial resources than ours. We also face competition from other video game companies and large media companies to obtain license agreements for the right to use some of the intellectual property included in our products. Primary competitive factors important to us include game quality and ease of use, compatibility of products with certain platforms, online capability, price, marketing, and quality of customer service.

Competition in Games for Console Devices and PCs

We compete directly with Sony and Microsoft, each of which develops and publishes software for its respective console platform. We also compete with numerous companies which, like us, develop and publish video games that operate on these consoles and on PCs. These competitors include Activision Blizzard, Take-Two Interactive, and Ubisoft. Diversified media companies such as Disney and Warner Bros. also are involved in software game development and publishing.

Competition in Games for Mobile Devices

The marketplace for mobile games, particularly free-to-download mobile games, is characterized by frequent product introductions, rapidly emerging new mobile platforms, new technologies, new mobile application storefronts and thousands of game offerings. As the penetration of mobile devices that feature fully-functional browsers and additional gaming capabilities continues to deepen, the demand for applications continues to increase and there are more mobile application storefronts through which developers can offer products. Mobile game applications currently are offered by a wide range of competitors, including Supercell, KING, GungHo Online and hundreds of smaller companies. We expect new competitors to enter the market and existing competitors to allocate more resources to develop and promote competing applications by, among other things, establishing a presence in geographic regions in which they did not operate previously. As a result, we expect competition in the mobile entertainment market to continue to intensify.

Competition in PC Free-to-Download Online Gaming Services

The PC free-to-download games market is characterized by frequent product introductions. We expect new competitors to enter the market and existing competitors to allocate more resources toward developing PC free-to-download online game services. As a result, we expect competition in this market to intensify. Our competitors in this market include major media companies, traditional video game publishing companies, and companies that specialize in online games, such as Riot, and companies that produce online games, in addition to operating online gaming platforms, such as Tencent, Nexon, Valve and Activision Blizzard.

Intellectual Property

Like other entertainment companies, our business is significantly based on the creation, acquisition, exploitation and protection of intellectual property. This intellectual property includes audiovisual and other content, software code, patented technology, and other technology and trade secrets.

We develop some of our products and services from wholly-owned intellectual properties that are created in our studios or obtained through acquisition. We also utilize intellectual property obtained through licenses from third-party rights owners, such as sports leagues and players' associations, film and music companies, performing talent, and other content and technology companies. These agreements typically limit our use of the licensed rights in products for specific time periods. In addition, our products that play on game consoles, mobile devices, or other proprietary platforms may include technology that is owned by the device manufacturer or platform operator and is licensed non-exclusively to us for use. While we may have renewal rights for some licenses, the development of many of our products is dependent on our ability to continue to obtain the intellectual property rights from the owners of these rights on reasonable terms.

We actively engage in enforcement and other activities to protect our intellectual property. We typically own the copyright to our software code and content, as well as the brand or title name trademark under which our products are marketed. We register copyrights and trademarks in the United States and other countries as appropriate.

We typically distribute our products using copy protection technology or other technological protection measures to prevent unauthorized copying, access and exploitation of our products and services. In addition, console manufacturers typically incorporate technological protections and other security measures in their consoles in an effort to prevent the use of unlicensed products and other exploitation. We actively engage in enforcement and other activities to protect against unauthorized copying and piracy, including monitoring online channels for distribution of pirated copies, and participating in various industry-wide enforcement initiatives, education programs and legislative activity around the world. In addition, we actively engage in activities designed to limit the impact of abuse of our digital products and services, including monitoring our games for evidence of exploitation and re-balancing our game environments in the event that such abuse is discovered.

Significant Relationships

Channel Partners

Sony. Under the terms of agreements we have entered into with Sony Computer Entertainment Inc. and its affiliates, we are authorized to develop and distribute disc-based and digitally-delivered software products and services compatible with PlayStation 3 and 4. As of the date of this filing, we have not entered into a licensed publisher agreement with Sony for PlayStation 4, and the parties currently operate under the terms of existing agreements subject to a new pricing structure with respect to PlayStation 4.

Microsoft. Under the terms of agreements we have entered into with Microsoft Corporation and its affiliates, we are authorized to develop and distribute disc-based and digitally-delivered software products and services compatible with Xbox 360 and Xbox One.

Under the agreements with Sony and Microsoft, we are provided with the non-exclusive right to use, for a fixed term and in a designated territory, technology that is owned or licensed by the console manufacturer in order to publish our games on such platform. Our transactions for disc-based products are made pursuant to individual purchase orders, which are accepted on a case-by case basis by Sony or Microsoft (or their designated replicators), as the case may be. For packaged goods products, we pay the console manufacturers a per-unit royalty for each unit manufactured. With respect to digitally-delivered products, other online content and services sold by the console manufacturers, the console manufacturers pay us either a wholesale price or a percentage royalty on the revenue they derive from their sales. Many key commercial terms of our relationships with Sony and Microsoft — such as manufacturing terms, delivery times, platform policies and approval conditions — are determined unilaterally, and are subject to change by the console manufacturers.

The platform license agreements also require us to indemnify the console manufacturers with respect to all loss, liability and expense resulting from any claim against the console manufacturer regarding our games and services, including any claims for patent, copyright or trademark infringement brought against the console manufacturer. Each platform license may be terminated by the console manufacturer if a breach or default by us is not cured after we receive written notice from the console manufacturer, or if we become insolvent. The console manufacturers are not obligated to enter into platform license agreements with us for any future consoles, products or services.

Apple, Google and Other App Stores. We have agreements to distribute our mobile applications through distribution partners worldwide, including Apple and Google. Consumers download our applications for their mobile devices from third party-application storefronts. The distributor charges the consumers a one-time fee if there is a cost to download the application. If the application is a "free-to-download" application, the distributor may still charge the consumer for additional content that is purchased by the consumer within the application. Our distribution agreements establish the fees to be retained by the distributor for distributing our applications and additional content. These arrangements are typically terminable on short notice. The agreements generally do not obligate the distributors to market or distribute any of our applications.

Publishing Partners in Asia. We have entered into agreements whereby we partner with certain companies, including Tencent Holdings Limited and Nexon Co., Ltd. or their respective affiliates, pursuant to which these companies publish our mobile and PC free-to-download games in certain Asian territories, including China and Korea. Our players download games from the publishers' platforms, and are charged for additional content purchased within our game environment. The agreements generally establish the amounts that are retained by the publishers, and the amounts that are passed through to us.

Retailers

In North America and Europe, our largest markets, we sell packaged goods products to retailers, including mass market retailers (such as Walmart), electronics specialty stores (such as Best Buy) or game software specialty stores (such as GameStop).

Our direct sales to GameStop Corp. represented approximately 11 percent, 13 percent and 13 percent of total net revenue in fiscal years 2015, 2014, and 2013, respectively. In fiscal year 2015, our direct sales to Microsoft represented approximately 10 percent of total net revenue. Our direct sales to Microsoft did not exceed 10 percent of net revenue in fiscal years 2014 and 2013. We sell our products to GameStop Corp. pursuant to numerous and frequent individual purchase orders, which contain delivery and pricing terms. There are no minimum sales or purchase commitments between us and GameStop.

As our business becomes increasingly digital, more of our products and services are purchased from a digital retailer and delivered via a network connection. Our digital retail outlets include Origin (our direct-to-consumer platform), mobile application storefronts, the digital marketplaces operated by Sony for PlayStation 3 and PlayStation 4 and Microsoft for Xbox 360 and Xbox One, and various third party retailers offering digital game downloads.

Seasonality

Our business is highly seasonal with the highest levels of consumer demand and a significant percentage of our sales occurring in the holiday season quarter ending in December and a seasonal low in sales volume in the quarter ending in June. While our sales generally follow this seasonal trend, there can be no assurance that this trend will continue. In addition, we defer the recognition of a significant amount of net revenue related to our online-enabled games over an extended period of time. As a result, the quarter in which we generate the highest sales volume may be different from the quarter in which we recognize the highest amount of net revenue. Our results also can vary based on a number of factors, including title release dates, cancellation or delay of a key event or sports season to which our product release schedule is tied, consumer demand for our products, shipment schedules, content offerings and our revenue recognition policies.

Government Regulation

We are subject to a number of foreign and domestic laws and regulations that affect companies conducting business on the Internet. In addition, laws and regulations relating to user privacy, data collection and retention, content, advertising and information security have been adopted or are being considered for adoption by many countries throughout the world.

Employees

As of March 31, 2015, we had approximately 8,400 regular, full-time employees, over 4,900 of whom were outside the United States. We believe that our ability to attract and retain qualified employees is a critical factor in the successful development of our products and that our future success will depend, in large measure, on our ability to continue to attract and retain qualified employees. Approximately 7 percent of our employees, all of whom work for DICE, our Swedish development studio, are represented by a union.

Investor Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and any amendments to those reports filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act, as amended, are available free of charge on the Investor Relations section of our website at http://ir.ea.com as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission ("SEC"). Except as expressly set forth in this Form 10-K annual report, the contents of our website are not incorporated into, or otherwise to be regarded as part of this report.

Executive Officers

The following table sets forth information regarding our executive officers as of May 21, 2015:

Name	Age	Position
Andrew Wilson	40	Chief Executive Officer
Blake Jorgensen	55	Executive Vice President, Chief Financial Officer
Peter R. Moore	60	Chief Operating Officer
Patrick Söderlund	41	Executive Vice President, EA Studios
Kenneth Moss	49	Chief Technology Officer
Christopher Bruzzo	45	Chief Marketing Officer
Joel Linzner	63	Executive Vice President, Business and Legal Affairs
Gabrielle Toledano	48	Executive Vice President, Chief Talent Officer
Lucy Bradshaw	52	Senior Vice President, Maxis
Kenneth A. Barker	48	Senior Vice President, Chief Accounting Officer
Jacob J. Schatz	46	Senior Vice President, General Counsel and Corporate Secretary

Mr. Wilson has served as EA's Chief Executive Officer and as a director of EA since September 2013. Prior to his appointment as our Chief Executive Officer, Mr. Wilson held several positions within the Company since joining EA in May 2000, including Executive Vice President, EA SPORTS from August 2011 to September 2013, Senior Vice President, EA SPORTS from March 2010 to August 2011 and Senior Vice President Online from July 2009 to September 2010.

Mr. Jorgensen has served as Executive Vice President, Chief Financial Officer since September 2012. Prior to joining EA, he served as Executive Vice President, Chief Financial Officer of Levi Strauss & Co. from July 2009 to August 2012. From June 2007 to June 2009, Mr. Jorgensen served as Executive Vice President, Chief Financial Officer of Yahoo! Inc. Mr. Jorgensen earned his M.B.A. from Harvard Business School and his Economics degree from Stanford University.

Mr. Moore has served as Chief Operating Officer since August 2011. Prior to that time, he served as President, EA SPORTS, from September 2007. From January 2003 until he joined EA in 2007, Mr. Moore was with Microsoft where he served as head of Xbox marketing and was later named as Corporate Vice President, Interactive Entertainment Business, Entertainment and Devices Division, a position in which he led both the Xbox and Games for Windows businesses. Mr. Moore holds a bachelor's degree from Keele University, United Kingdom, and a Master's degree from California State University, Long Beach.

Mr. Söderlund has served as Executive Vice President, EA Studios since September 2013. Prior to that time, he served as Executive Vice President, EA Games Label from August 2011. From December 2010 to July 2011, he served as Executive Vice President, Group General Manager — FPS/Driving. Prior to that, Mr. Söderlund held the position of Senior Vice President, EA Games Europe from September 2007 to December 2010. Mr. Söderlund joined EA in October 2006 when EA purchased DICE studios where he was the Chief Executive Officer.

Mr. Moss has served as Chief Technology Officer since July 2014. Prior to joining EA, he served as Vice President of Market Places Technology, Science and Data at eBay Inc. since November 2011. Prior to joining eBay, he co-founded CrowdEye, Inc. in September 2008 and served as its Chief Executive Officer. Mr. Moss graduated from Princeton University with a B.A. in Molecular Biology.

Mr. Bruzzo has served as Chief Marketing Officer since September 2014. Prior to joining EA, he served as Senior Vice President at Starbucks Corporation June 2011 to November 2013 and Vice President from June 2008 to June 2011. Mr. Bruzzo is currently a director of Blue Nile, Inc. Mr. Bruzzo graduated from Whitworth University with a B.A. in Political Studies.

Mr. Linzner has served as Executive Vice President, Business and Legal Affairs since March 2005. Prior to joining EA in July 1999, Mr. Linzner served as outside litigation counsel to EA and several other companies in the video game industry. Mr. Linzner earned his J.D. from Boalt Hall at the University of California, Berkeley, after graduating from Brandeis University. He is a member of the Bar of the State of California and is admitted to practice in the United States Supreme Court, the Ninth Circuit Court of Appeals and several United States District Courts.

Ms. Toledano, our Chief Talent Officer, was hired as Senior Vice President, Human Resources and Facilities, in February 2006. Ms. Toledano was promoted to Executive Vice President in April 2007, continuing to lead the same functions. Ms. Toledano also serves on the Board of Directors of TalentSky Inc. and Visier, Inc., privately-held companies. Ms. Toledano earned both her undergraduate degree in Humanities and her graduate degree in Education from Stanford University.

Ms. Bradshaw has served as Senior Vice President, EA Maxis since June 2013. Prior to that time, she held various titles within the Maxis Studio since 1997 including Senior Vice President from February 2011 to June 2013 and Vice President from January 2001 to February 2011. Ms. Bradshaw received her B.A. degree from the University of Michigan.

Mr. Barker has served as Senior Vice President, Chief Accounting Officer since April 2006. From February 2012 to August 2012, he also served as Interim Chief Financial Officer. From June 2003 to April 2006, Mr. Barker held the position of Vice President, Chief Accounting Officer. Prior to joining EA, Mr. Barker was employed at Sun Microsystems, Inc., as Vice President and Corporate Controller from October 2002 to June 2003 and Assistant Corporate Controller from April 2000 to September 2002. Prior to that, he was an audit partner at Deloitte & Touche. Mr. Barker also serves on the Board of Directors of Corsair Components, Inc. Mr. Barker graduated from the University of Notre Dame with a B.A. degree in Accounting.

Mr. Schatz has served as Senior Vice President, General Counsel and Corporate Secretary since June 2014. Mr. Schatz joined EA in 1999 and prior to his current role, he served as Deputy General Counsel and as Vice President since 2006. Mr. Schatz earned his J.D. from Georgetown University Law Center, and received his B.A. in Government from Pomona College. Mr. Schatz is a member of the Bar of the State of California and is admitted to practice in the United States Supreme Court, the Ninth Circuit Court of Appeals and several United States District Courts.

Item 1A. Risk Factors

Our business is subject to many risks and uncertainties, which may affect our future financial performance. If any of the events or circumstances described below occurs, our business or financial performance could be harmed, our actual results could differ materially from our expectations and the market value of our stock could decline. The risks and uncertainties discussed below are not the only ones we face. There may be additional risks and uncertainties not currently known to us or that we currently do not believe could be material that may harm our business or financial performance.

Our business is intensely competitive and "hit" driven. If we do not deliver "hit" products and services, or if consumers prefer our competitors' products or services over our own, our operating results could suffer.

Competition in our industry is intense. Many new products and services are regularly introduced in each major industry segment (console, mobile and PC free-to-download), but only a relatively small number of "hit" titles account for a significant portion of total revenue in each segment. Our competitors range from large established companies to emerging start-ups, and we expect new competitors to continue to emerge throughout the world. If our competitors develop and market more successful products or services, offer competitive products or services at lower price points or based on payment models perceived as offering a better value proposition, or if we do not continue to develop consistently high-quality and well-received products and services, our revenue, margins, and profitability will decline.

We maintain a relatively limited product portfolio in an effort to focus on developing high-quality products with the potential to become "hits". High-quality titles, even if highly-reviewed, may not turn into "hit" products. Many "hit" products within our industry are iterations of prior hit products with large established consumer bases and significant brand recognition, which makes competing in certain product categories challenging. In addition, hit products or services of our competitors may take a larger share of consumer spending than we anticipate, which could cause our products and services to underperform relative to revenue expectations. Publishing a relatively small number of major titles each year also concentrates risk in those titles and means each major title has greater associated risk. A significant portion of our revenue has historically been derived from games and services based on a few popular franchises. For example, in fiscal year 2015, net revenue generated from the sale of products and services associated with our three largest franchises accounted for approximately 54 percent of our net revenue. The underperformance of a single major title may have a large adverse impact on our financial results.

Our operating results will be adversely affected if we do not consistently meet our product development schedules or if key events or sports seasons that we tie our product release schedules to are delayed or cancelled.

Our business is highly seasonal with the highest levels of consumer demand and a significant percentage of our sales occurring in the quarter ending in December and a seasonal low in sales volume in the quarter ending in June. While our sales generally follow this seasonal trend, there can be no assurance that this trend will continue. If we miss key selling periods for products, for any reason, including product delays, product cancellations, or delayed introduction of a new platform for which we have developed products, our sales are likely to suffer significantly. Additionally, macroeconomic conditions or the occurrence of unforeseen events that negatively impact retailer or consumer buying patterns during the quarter ending in December are likely to affect us disproportionately. Our ability to meet product development schedules is affected by a number of factors both within and outside our control, including feedback from our players, the creative processes involved, the coordination of large and sometimes geographically dispersed development teams, the increasing complexity of our products and the platforms for which they are developed, and the need to fine-tune our products prior to their release. We have experienced development delays for our products in the past, which caused us to delay or cancel release dates. We also seek to release certain products in conjunction with key events, such as the beginning of a sports season or major sporting event, or the release of a related movie. If a key event or sports season to which our product release schedule is tied were to be delayed or cancelled, our sales would likely suffer disproportionately. Any failure to meet anticipated production or release schedules would likely result in a delay of revenue and/or possibly a significant shortfall in our revenue, increase our development and/or marketing expenses, harm our profitability, and cause our operating results to be materially different than anticipated.

The console segment of the entertainment software industry is cyclical, driven by the periodic introduction of new console systems. During the transition period to new console systems, our operating results may be more volatile.

New video game console systems have historically been developed and released every few years, which causes the video game software market to be cyclical as well. In periods of transition from legacy generation consoles to new generation consoles, sales of software for legacy generation console systems typically slow or decline in response to the anticipated and actual introduction of new consoles, and new generation console software sales typically stabilize after new consoles are widely-established with the consumer base.

Sony and Microsoft launched the PlayStation 4 and Xbox One, respectively, in November 2013. During fiscal 2015, we saw consumers purchase fewer software products for the Sony PlayStation 3 and Microsoft Xbox 360 legacy generation consoles. Consistent with other transition periods, we expect this trend to continue. This trend could also accelerate faster than anticipated and may put downward pressure on legacy generation video game software pricing, which could negatively affect our operating results. Our revenue from software sales for the PlayStation 4 and Xbox One may not offset the negative effects of this trend on our operating results. In addition, we do not control the unit volumes of consoles made available for sale or the rates at which consumers purchase these consoles. As a result, our operating results during this transitional period may be more volatile and difficult to predict.

Our business is dependent on the success and availability of video game hardware systems and devices manufactured by third parties, as well as our ability to develop commercially successful products and services for these systems and devices.

The success of our business is driven in part by the commercial success and adequate supply of video game console systems, PCs, mobile phones and tablets manufactured by third parties. Our success also depends on our ability to accurately predict which platforms will be successful in the marketplace and our ability to develop commercially successful products and services for these platforms. We must make product development decisions and commit significant resources well in advance of anticipated platform release dates and may incur significant expense to adjust our product portfolio and development efforts in response to changing consumer platform preferences. Additionally, we may enter into certain exclusive licensing arrangements that affect our ability to deliver or market products or services on certain platforms. A platform for which we are developing products and services may not succeed to the extent expected or new platforms may take market share and game software consumers away from platforms for which we have devoted significant resources. If consumer demand for the platforms for which we are developing products and services is lower than our expectations, we may be unable to fully recover the investments we have made in developing our products and services, and our financial performance will be harmed. Alternatively, a platform for which we have not devoted significant resources could be more successful than we had initially anticipated, causing us to not be able to take advantage of meaningful revenue opportunities.

Our adoption of new business models could fail to produce our desired financial returns.

We are actively seeking to monetize game properties through a variety of new business models, including from digital content delivery such as online distribution of full games and additional content, free-to-download games supported by advertising and/or micro-transactions and subscription services. Forecasting our revenues and profitability for these new business models is inherently uncertain and volatile. Our actual revenue and profit for these businesses may be significantly greater or less than our forecasts. Additionally, these new business models could fail for one or more of our titles, resulting in the loss of our investment in the development and infrastructure needed to support these new business models, as well as the opportunity cost of diverting management and financial resources away from more successful businesses.

Technology changes rapidly in our business and if we fail to anticipate or successfully develop games for new platforms and services, adopt new distribution technologies or methods, or implement new technologies in our games, the quality, timeliness and competitiveness of our products and services will suffer.

Rapid technology changes in our industry require us to anticipate, sometimes years in advance, which technologies we must implement and take advantage of in order to make our products and services competitive in the market. We have invested, and in the future may invest, in new business strategies, technologies, products, and services. Such endeavors may involve significant risks and uncertainties, and no assurance can be given that the technology we choose to adopt and the platforms, products and services that we pursue will be successful and will not materially adversely affect our reputation, financial condition, and operating results.

Our product development usually starts with particular platforms and distribution methods in mind, and a range of technical development goals that we hope to be able to achieve. We may not be able to achieve these goals, or our competition may be able to achieve them more quickly and effectively than we can. In either case, our products and services may be technologically inferior to our competitors', less appealing to consumers, or both. If we cannot achieve our technology goals within the original development schedule for our products and services, then we may delay their release until these technology goals can be achieved, which may delay or reduce revenue and increase our development expenses. Alternatively, we may increase the resources employed in research and development in an attempt to accelerate our development of new technologies, either to preserve our product or service launch schedule or to keep up with our competition, which would increase our development expenses. We may also miss opportunities to adopt technology, or develop products and services for new platforms or services that become popular with consumers, which could adversely affect our revenues. It may take significant time and resources to shift our focus to such technologies or platforms, putting us at a competitive disadvantage.

If we are unable to maintain or acquire licenses to include intellectual property owned by others in our games, or to maintain or acquire the rights to publish or distribute games developed by others, our business may be harmed.

Many of our products and services are based on or incorporate intellectual property owned by others. For example, our EA SPORTS products include rights licensed from major sports leagues and players' associations. We also publish and distribute products developed and owned by third-parties under license agreements with these parties. Competition for these licenses and rights is intense. If we are unable to maintain these licenses and rights or obtain additional licenses or rights with significant commercial value, our revenue, profitability and cash flows may decline significantly. Competition for these licenses may also increase the amounts that we must pay to licensors and developers, through higher minimum guarantees or royalty rates, which could significantly increase our costs and reduce our profitability.

Security breaches and cyber threats could harm our reputation and adversely affect our business.

As our digital business grows, we continue to face cyber risks and threats that seek to damage, disrupt or gain access to our networks, our products and services, and supporting infrastructure. Our business partners, including our channel partners, also are subject to these risks. Such cyber risks and threats may be difficult to detect. Any failure to prevent or mitigate security breaches or cyber risk could result in interruptions to the services we provide, degrade the user experience, cause our users to lose confidence in our products, as well as significant legal and financial exposure. This could harm our business and reputation, disrupt our relationships with partners and diminish our competitive position.

Successful exploitation of our systems can have other negative effects upon the products, services and user experience we offer. In particular, the virtual economies that we have established in many of our games are subject to abuse, exploitation and other forms of fraudulent activity that can negatively impact our business. Virtual economies involve the use of virtual currency and/or virtual assets that can be redeemed by a player within a particular game or game service. The abuse or exploitation of our virtual economies include the illegitimate generation and sale of virtual items in black markets. Our online services have been impacted by in-game exploits and the use of automated processes to generate virtual currency illegitimately in the past, which were traded in black markets. These kinds of activities and the steps that we take to address these issues may result in a loss of anticipated revenue, interfere with players' enjoyment of a balanced game environment and cause reputational harm.

We may experience outages and disruptions of our online services that may harm our business.

We are investing and expect to continue to invest in technology, hardware and software to support our portfolio of online products and services. Launching and operating online games and services, developing related technologies and implementing online business initiatives is expensive and complex. Execution of these initiatives could result in operational failures and other issues impacting the technical stability of our products and services. In addition, having the necessary infrastructure to support our online products and services is vital to our growth and success. Our products and services could be adversely impacted by outages, disruptions and failures in our network and related infrastructure, as well as in the online platforms of key business partners who offer or support our online products and services.

Our business could be adversely affected if our consumer protection, data privacy and security practices are not adequate, or perceived as being inadequate, to prevent data breaches, or by the application of consumer protection and data privacy and security laws generally.

In the course of our business, we collect, process, store and use consumer information, including personal information, passwords and credit card information. Although we take measures to protect consumer information from unauthorized access, acquisition, disclosure and misuse, our security controls, policies and practices may not be able to prevent the improper or unauthorized access, acquisition or disclosure of such consumer information. In addition, third party vendors and business partners which in the course of our business receive access to consumer information that we collect also may not prevent data security breaches with respect to the consumer information we provide them or fully enforce our policies, contractual obligations and disclosures regarding the collection, use, storage, transfer and retention of personal data. The unauthorized access, acquisition or disclosure of consumer information could significantly harm our reputation, compel us to comply with disparate breach notification laws and otherwise subject us to proceedings by governmental entities or others and substantial legal liability. A perception that we do not adequately secure consumer information could result in a loss of current or potential consumers and business partners, as well as a loss of anticipated revenues. Our key business partners also face these same risks with respect to consumer information they collect and data security breaches with respect to such information could cause reputational harm to them and negatively impact our ability to offer our products and services through their platforms.

We are also subject to payment card association rules and obligations pursuant to contracts with payment card processors. Under these rules and obligations, if information is compromised, we could be liable to payment card issuers for the cost of associated expenses and penalties. In addition, if we fail to follow payment card industry security standards, even if no customer information is compromised, we could incur significant fines or experience a significant increase in payment card transaction costs.

In addition, the rate of data privacy, security and consumer-protection law-making is accelerating globally, and the interpretation and application of consumer protection and data privacy and security laws in the United States, Europe and elsewhere are often uncertain, contradictory and in flux. It is possible that these laws may be interpreted or applied in a manner that is adverse to us or otherwise inconsistent with our practices, which could result in litigation, regulatory investigations and potential legal liability or require us to change our practices in a manner adverse to our business. As a result, our reputation may be harmed, we could incur substantial costs, and we could lose both customers and revenue.

Any failure by EA, or our agents to comply with our privacy policy or with other federal, state or international privacy-related or data protection laws and regulations could result in proceedings against EA by governmental entities or others as well as resulting liability.

Negative player perceptions about our brands, products, services and/or business practices may damage our business and the costs incurred in addressing player concerns may increase our operating expenses.

Individual players form our ultimate customer base, and player expectations regarding the quality, performance and integrity of our products and services are high. Players may be critical of our brands, products, services and/or business practices for a wide variety of reasons. These negative player reactions may not be foreseeable or within our control to manage effectively, including perceptions about gameplay fairness, negative player reactions to game content, components and services, or objections to certain of our business practices. In the past, we have taken actions, including delaying the release of our games, after taking into consideration, among other things, feedback from the player community even if those decisions negatively impacted our operating results in the short term. We expect to continue to take actions to address concerns as appropriate, including actions that may result in additional expenditures and the loss of revenue. Negative player sentiment about our business practices also can lead to investigations from regulatory agencies and consumer groups, as well as litigation, which, regardless of their outcome, may be costly, damaging to our reputation and harm our business.

If we release defective products or services, our operating results could suffer.

Products and services such as ours are extremely complex software programs, and are difficult to develop and distribute. We have quality controls in place to detect defects in our products and services before they are released. Nonetheless, these quality controls are subject to human error, overriding, and reasonable resource constraints. Therefore, these quality controls and preventative measures may not be effective in detecting defects in our products and services before they have been released into the marketplace. In such an event, we could be required to or may find it necessary to voluntarily recall a product or suspend the availability of the product or service, which could significantly harm our business and operating results.

Our business is subject to increasing regulation and the adoption of proposed legislation we oppose could negatively impact our business.

Legislation is continually being introduced in the United States and other countries to mandate rating requirements or set other restrictions on the advertisement or distribution of entertainment software based on content. In the United States, most courts, including the United States Supreme Court, that have ruled on such legislation have generally ruled in a manner favorable to the interactive entertainment industry. Some foreign countries have adopted ratings regulations and certain countries allow government censorship of entertainment software products. Adoption of government ratings system or restrictions on distribution of entertainment software based on content could harm our business by limiting the products we are able to offer to our customers and compliance with new and possibly inconsistent regulations for different territories could be costly, delay or prevent the release of our products in those territories.

As we increase the online delivery of our products and services, we are subject to a number of foreign and domestic laws and regulations that affect companies conducting business on the Internet. In addition, laws and regulations relating to user privacy, data collection, retention, electronic commerce, consumer protection, content, advertising, localization, and information security have been adopted or are being considered for adoption by many countries throughout the world. The costs of compliance with these laws may increase in the future as a result of changes in interpretation. Furthermore, any failure on our part to comply with these laws or the application of these laws in an unanticipated manner may harm our business and result in penalties or significant legal liability.

If we do not continue to attract and retain key personnel, we will be unable to effectively conduct our business.

The market for technical, creative, marketing and other personnel essential to the development and marketing of our products and services and management of our businesses is extremely competitive. Our leading position within the interactive entertainment industry makes us a prime target for recruiting our executives as well as key creative and technical talent. If we cannot successfully recruit and retain the employees we need, or replace key employees following their departure, our ability to develop and manage our business will be impaired.

If our marketing and advertising efforts fail to resonate with our customers, our business and operating results could be adversely affected.

Our products and services are marketed worldwide through a diverse spectrum of advertising and promotional programs such as online and mobile advertising, television advertising, retail merchandising, website development, event sponsorship and direct communications with our consumers including via email. Our ability to sell our products and services is dependent in part upon the success of these programs. If the marketing for our products and services fails to resonate with our customers, particularly during the critical holiday season or during other key selling periods, or as advertising rates or other media placement costs increase, these factors could have a material adverse impact on our business and operating results.

A significant portion of our sales are made to a relatively small number of key customers. If these customers reduce their purchases of our products and services or become unable to pay for them, our business could be harmed.

During the fiscal year ended March 31, 2015, approximately 58 percent of our net revenue was derived from our top ten customers. Though our products are available to consumers through a variety of retailers and directly through us, the concentration of our sales in one, or a few, large customers could lead to a short-term disruption in our sales if one or more of these customers significantly reduced their purchases or ceased to carry our products and services, and could make us more vulnerable to collection risk if one or more of these large customers became unable to pay for our products or declared bankruptcy. Additionally, our receivables from these large customers generally increase significantly in the December quarter as they make purchases in anticipation of the holiday selling season. Having such a large portion of our total net revenue concentrated in a few customers could reduce our negotiating leverage with these customers. If one or more of our key customers experience deterioration in their business, or become unable to obtain sufficient financing to maintain their operations, our business could be harmed.

Our channel partners have significant influence over the products and services that we offer on their platforms.

Our products and services are sold to customers, primarily through retailers and online through our channel partners, including Sony, Microsoft, Apple and Google. In many cases, our channel partners set the rates that we must pay to provide our games and services through their online channels. In certain cases, our channel partners retain flexibility to change their fee structures or adopt different fee structures for their online channels, which could adversely impact our costs, profitability and margins.

Outside of the financial arrangements, our agreements with our channel partners typically give them significant control over other aspects of the distribution of the products and services that we develop for their platform. For example, our agreements with Sony and Microsoft typically give significant control to them over the approval, manufacturing and distribution of our products and services, which could, in certain circumstances, leave us unable to get our products and services approved, manufactured and distributed to customers. For the fiscal year ended March 31, 2015, 66 percent of our net revenue was derived from products and services for Sony's PlayStation 3 and 4 and Microsoft's Xbox 360 and One consoles (combined across all four platforms). For our digital products and services delivered direct to consumers via digital channels such as Sony's PlayStation Network, Microsoft's Xbox LIVE Marketplace, Apple's App Store and the Google Play store, the channel partner has policies and guidelines that control the promotion and distribution of these titles and the features and functionalities that we are permitted to offer through the channel.

In addition, while we have negotiated agreements in place with our channel partners — these agreements reserve the right by our channel partners to determine and change unilaterally certain key terms and conditions, including the ability to change their user and developer policies and guidelines, which can negatively impact our business. If our channel partners establish terms that restrict our offerings through their channels, or significantly impact the financial terms on which these products or services are offered to our customers, our business could be harmed.

Our business is subject to risks generally associated with the entertainment industry, any of which could significantly harm our operating results.

Our business is subject to risks that are generally associated with the entertainment industry, many of which are beyond our control. These risks could negatively impact our operating results and include: the popularity, price and timing of our games and the platforms on which they are played; economic conditions that adversely affect discretionary consumer spending; changes in consumer demographics; the availability and popularity of other forms of entertainment; and critical reviews and public tastes and preferences, which may change rapidly and cannot necessarily be predicted.

We rely on business partners in many areas of our business and our business may be harmed if they are unable to honor their obligations to us or their actions may put us at risk.

We rely on various business partners, including third-party service providers, vendors, licensing partners, development partners, and licensees, among others, in many areas of our business. The actions of our business partners may put our business and our reputation at risk. In many cases, these third parties are given access to sensitive and proprietary information in order to provide services and support to our teams. These third parties may misappropriate our information and engage in unauthorized use of it. The failure of these third parties to provide adequate services and technologies, or the failure of the third parties to adequately maintain or update their services and technologies, could result in a disruption to our business operations. Further, disruptions in the financial markets and economic downturns may adversely affect our business partners and they may not be able to continue honoring their obligations to us. Alternative arrangements and services may not be available to us on commercially reasonable terms or we may experience business interruptions upon a transition to an alternative partner or vendor. If we lose one or more significant business partners, our business could be harmed.

We may be subject to claims of infringement of third-party intellectual property rights, which could harm our business.

From time to time, third parties may assert claims against us based on allegations of violations of intellectual property rights. In addition, patent holding companies seek to monetize patents they have purchased or otherwise obtained. Although we take steps to avoid knowingly violating the intellectual property rights of others, it is possible that third parties still may claim infringement. In addition, our products often utilize complex, cutting-edge technology that may be subject to intellectual property claims, particularly since there are an increasing number of companies that focus their efforts exclusively on enforcing their patent rights.

Existing or future infringement claims against us, whether valid or not, may be time consuming and expensive to defend. Such claims or litigations could require us to pay damages and other costs, stop selling the affected products, redesign those products to avoid infringement, or obtain a license, all of which could be costly and harm our business. In addition, many patents have been issued that may apply to potential new modes of delivering, playing or monetizing game software products and services, such as those that we produce or would like to offer in the future. We may discover that future opportunities to provide new and innovative modes of game play and game delivery to consumers may be precluded by existing patents that we are unable to license on reasonable terms.

From time to time we may become involved in other legal proceedings, which could adversely affect us.

We are currently, and from time to time in the future may become, subject to legal proceedings, claims, litigation and government investigations or inquiries, which could be expensive, lengthy, and disruptive to normal business operations. In addition, the outcome of any legal proceedings, claims, litigation, investigations or inquiries may be difficult to predict and could have a material adverse effect on our business, operating results, or financial condition.

Acquisitions, investments and other strategic transactions could result in operating difficulties, dilution to our investors and other negative consequences.

We expect to continue making acquisitions or entering into other strategic transactions including (1) acquisitions of companies, businesses, intellectual properties, and other assets, (2) minority investments in strategic partners, and (3) investments in new interactive entertainment businesses (e.g., online and mobile publishing platforms) as part of our long-term business strategy. These transactions involve significant challenges and risks including, in the end, that the transaction does not advance our business strategy, that we do not realize a satisfactory return on our investment, that we acquire unknown liabilities, or that we experience difficulty in the integration of business systems and technologies, the integration and retention of new employees, or in the maintenance of key business and customer relationships of the businesses we acquire, or diversion of management's attention from our other businesses. These events could harm our operating results or financial condition.

Future acquisitions and investments also could involve the issuance of our equity and equity-linked securities (potentially diluting our existing stockholders), the incurrence of debt, contingent liabilities or amortization expenses, write-offs of goodwill, intangibles, or acquired in-process technology, or other increased cash and non-cash expenses, such as stock-based compensation. Any of the foregoing factors could harm our financial condition or prevent us from achieving improvements in our financial condition and operating performance that could have otherwise been achieved by us on a stand-alone basis. Our stockholders may not have the opportunity to review, vote on or evaluate future acquisitions or investments.

Our products and brands are subject to the threat of piracy, unauthorized copying and other forms of intellectual property infringement.

We regard our products and brands as proprietary and take measures to protect our products, brands and other confidential information from infringement. We are aware that some unauthorized copying of our products and brands occurs, and if a significantly greater amount were to occur, it could negatively impact our business.

Piracy and other forms of unauthorized copying and use of our content and brands are persistent problems for us, and policing is difficult. Further, the laws of some countries in which our products are or may be distributed either do not protect our products and intellectual property rights to the same extent as the laws of the United States, or are poorly enforced. Legal protection of our rights may be ineffective in such countries. In addition, although we take steps to enforce and police our rights, factors such as the proliferation of technology designed to circumvent the protection measures used in our products, the availability of broadband access to the Internet, the refusal of Internet service providers or platform holders to remove infringing content in certain instances, and the proliferation of online channels through which infringing product is distributed have all have contributed to an expansion in unauthorized copying of our products and brands.

We may experience outages and disruptions of our infrastructure that may harm our business.

We may be subject to outrages or disruptions of our infrastructure, including information technology system failures and network disruptions. These may be caused by natural disasters, cyber-incidents, weather events, power disruptions, telecommunications failures, acts of terrorism or other events. System redundancy may be ineffective or inadequate, and the Company's disaster recovery planning may not be sufficient for all eventualities. Such failures or disruptions could prevent access to our products, services or online stores selling our products and services. Our corporate headquarters in Redwood City, CA and our studio in Burnaby, British Columbia are located in seismically active regions, and certain of our game development activities and other essential business operations are conducted at these locations. An event that results in the disruption of any of our critical business or IT systems could harm our ability to conduct normal business operations.

Our business is subject to currency fluctuations.

International sales are a fundamental part of our business. For the fiscal year ended March 31, 2015, international net revenue comprised 57 percent of our total net revenue and we expect international sales to continue to account for a significant portion of our total net revenue. As a result of our international sales, and also the denomination of our foreign investments and our cash and cash equivalents in foreign currencies, we are exposed to the effects of fluctuations in foreign currency exchange rates. The significant strengthening of the U.S. dollar during the second half of fiscal year 2015, particularly relative to the Euro, British pound sterling, Swedish krona and Canadian dollar, had a negative impact on our reported international net revenue but a positive impact on our reported international operating expenses because these amounts were translated at lower rates in fiscal 2015 than fiscal 2014. Our fiscal year 2015 results of operations, including our net revenue and net income were adversely affected by these foreign currency fluctuations and these trends may continue in fiscal 2016. We use foreign currency hedging contracts to mitigate some foreign currency risk. However, these activities are limited in the protection they provide us from foreign currency fluctuations and can themselves result in losses.

We utilize debt financing and such indebtedness could adversely impact our business and financial condition.

We have outstanding $632.5 million of convertible senior notes due July 2016 (the “Notes”), which result in debt service obligations of approximately $5 million per year. In addition, in March 2015, we entered into an unsecured committed $500 million revolving credit facility. While the facility is currently undrawn, we may use the proceeds of any future borrowings for general corporate purposes. The credit facility contains affirmative, negative and financial covenants, including a maximum capitalization ratio and minimum liquidity requirements. We may enter into other financial instruments in the future.

Our indebtedness, particularly the July 2016 maturity of the Notes, could affect our financial condition and future financial results by, among other things:

- requiring the dedication of a substantial portion of any cash flow from operations to the payment of principal of, and interest on, our indebtedness, thereby reducing the availability of such cash flow to fund our growth strategy, working capital, capital expenditures and other general corporate purposes; and
- limiting our flexibility in planning for, or reacting to, changes in our business and our industry.

In connection with the offering of the Notes, we entered into certain privately-negotiated transactions to reduce the potential dilution with respect to our common stock upon conversion of the Notes. We also entered into separate, privately-negotiated warrant transactions whereby we sold warrants to independent third parties. The effect, if any, of these activities, including the direction or magnitude, on the market price of our common stock will depend on a variety of factors, including market conditions, and cannot be ascertained at this time. Any of these activities could, however, adversely affect the market price of our common stock and the trading price of the Notes. In addition, the counterparties to these agreements are financial institutions and we are subject to the risk that one or more of these counterparties might default on the transactions. Our exposure to the credit risk of these counterparties is not secured by any collateral and the amount of that exposure will depend on many factors but, generally, the increase in our exposure will be correlated to the increase in the market price and in the volatility of our common stock.

Changes in our tax rates or exposure to additional tax liabilities could adversely affect our earnings and financial condition.

We are subject to taxes in the United States and in various foreign jurisdictions. Significant judgment is required in determining our worldwide income tax provision and accruals for other taxes, and there are many transactions and calculations where the ultimate tax determination is uncertain. Our effective income tax rate could be adversely affected by our profit levels, by changes in our business, reorganization of our business and operating structure, changes in the mix of earnings in countries with differing statutory tax rates, changes in the elections we make, changes in applicable tax laws, or changes in the valuation allowance for deferred tax assets, as well as other factors. We are also required to pay taxes other than income taxes, such as payroll, sales, use, value-added, net worth, property and goods and services taxes, in both the United States and foreign jurisdictions. Furthermore, we are regularly subject to audit by tax authorities with respect to both income and such other non-income taxes. Adverse changes in our effective income tax rate, unfavorable audit results or tax rulings, or other changes resulting in significant additional tax liabilities could have material adverse effects upon our earnings, cash flows, and financial condition.

Our reported financial results could be adversely affected by changes in financial accounting standards.

Our reported financial results are impacted by the accounting standards promulgated by the SEC and national accounting standards bodies and the methods, estimates, and judgments that we use in applying our accounting policies. For example, accounting standards affecting software revenue recognition have affected and could continue to significantly affect the way we account for revenue and costs related to our products and services. We recognize all of the revenue from bundled sales (i.e., online-enabled games that include updates on a when-and-if-available basis or a matchmaking service) on a deferred basis over an estimated offering period. The related costs of revenues are expensed as incurred instead of deferred and recognized ratably. In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, which will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. While we have not yet determined the effect of the new standard on our Consolidated Financial Statements, we believe the new standard may require us to materially change the way we account for revenue by requiring us to recognize more revenue upon delivery of the primary product than we currently do under current accounting standards. The new standard may also require us to materially change the way we account for related costs by requiring us to capitalize and amortize certain costs over the period the related assets are transferred to the customer.

As we enhance, expand and diversify our business and product offerings, the application of existing or future financial accounting standards, particularly those relating to the way we account for revenue, costs and taxes, could have a significant adverse effect on our reported results although not necessarily on our cash flows.

Our stock price has been volatile and may continue to fluctuate significantly.

The market price of our common stock historically has been, and we expect will continue to be, subject to significant fluctuations. These fluctuations may be due to factors specific to us (including those discussed in the risk factors above, as well as others not currently known to us or that we currently do not believe are material), to changes in securities analysts' earnings estimates or ratings, to our results or future financial guidance falling below our expectations and analysts' and investors' expectations, to factors affecting the entertainment, computer, software, Internet, media or electronics industries, to our ability to successfully integrate any acquisitions we may make, or to national or international economic conditions. In particular, economic downturns may contribute to the public stock markets experiencing extreme price and trading volume volatility. These broad market fluctuations have and could continue to adversely affect the market price of our common stock.

Item 1B: ***Unresolved Staff Comments***

None.

Item 2: ***Properties***

We own our 660,000-square-foot Redwood Shores headquarters facilities located in Redwood City, California, which includes a product development studio and administrative and sales functions. We also own a 418,000-square-foot product development studio facility in Burnaby, Canada. In addition to the properties we own, we lease approximately 1.2 million square feet in North America and 1 million square feet in Europe and Asia at various research and development, sales and administration and distribution facilities, including leases for our development studios in Orlando, Florida and Stockholm, Sweden.

While we continually evaluate our facility requirements, we believe that suitable additional or substitute space will be available as needed to accommodate our future needs. For information regarding our lease commitments, see Note 13 of the Notes to Consolidated Financial Statements, included in Item 8 in this report. For information on long-lived assets by geography, see Note 18 of the Notes to Consolidated Financial Statements, included in Item 8 in this report.

Item 3: ***Legal Proceedings***

We are a defendant in several actions that allege we misappropriated the likenesses of various college athletes in certain of our college-themed sports games. In September 2013, we reached an agreement to settle all actions brought by college athletes against us. We recognized a $30 million accrual during the three months ended September 30, 2013 associated with the anticipated settlement. On September 3, 2014, the United States District Court for the Northern District of California granted preliminary approval of the settlement and set a hearing in July 2015, to determine whether to grant its final approval of the settlement.

On July 29, 2010, Michael Davis, a former NFL running back, filed a putative class action in the United States District Court for the Northern District of California against the Company, alleging that certain past versions of *Madden NFL* included the images of certain retired NFL players without their permission. In March 2012, the trial court denied the Company's request to dismiss the complaint on First Amendment grounds. In January 2015, that trial court decision was affirmed by the Ninth Circuit Court of Appeals and the case was remanded back to the district court. The Company intends to seek further court review.

On December 17, 2013, a purported shareholder class action lawsuit was filed in the United States District Court for the Northern District of California against the Company and certain of its officers by an individual purporting to represent a class of purchasers of EA common stock. A second purported shareholder class action lawsuit alleging substantially similar claims was subsequently filed in the same court. These lawsuits have been consolidated into one action. The lawsuits, which assert claims under Section 10(b) and 20(a) of the Securities Exchange Act of 1934, allege, among other things, that the Company and certain of its officers issued materially false and misleading statements regarding the rollout of the Company's *Battlefield 4* game. We filed a motion seeking dismissal of all claims on January 15, 2015 and on April 30, 2015, the court granted our motion to dismiss with prejudice.

We are also subject to claims and litigation arising in the ordinary course of business. We do not believe that any liability from any reasonably foreseeable disposition of such claims and litigation, individually or in the aggregate, would have a material adverse effect on our Consolidated Financial Statements.

Item 4: ***Mine Safety Disclosures***

Not applicable.

PART II

Item 5: ***Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Market Information

Our common stock is traded on the NASDAQ Global Select Market under the symbol "EA". The following table sets forth the quarterly high and low closing sales price per share of our common stock from April 1, 2013 through March 31, 2015.

	Prices	
	High	**Low**
Fiscal Year Ended March 31, 2014:		
First Quarter	$23.61	$16.91
Second Quarter	27.99	23.18
Third Quarter	26.44	20.97
Fourth Quarter	30.25	21.54
Fiscal Year Ended March 31, 2015:		
First Quarter	37.15	26.67
Second Quarter	38.42	33.31
Third Quarter	48.33	32.62
Fourth Quarter	58.24	45.96

Holders

There were approximately 1,324 holders of record of our common stock as of May 18, 2015, and the closing price of our common stock was $63.30 per share as reported by the NASDAQ Global Select Market. In addition, a significant number of beneficial owners of our common stock hold their shares in street name.

Dividends

We have not paid any cash dividends and do not anticipate paying cash dividends in the foreseeable future.

Issuer Purchases of Equity Securities

In May 2014, a special committee of our Board of Directors, on behalf of the full Board of Directors, authorized a two-year program to repurchase up to $750 million of our common stock. We repurchased approximately 8.3 million shares for approximately $337 million under this program during fiscal year 2015.

In May 2015, our Board of Directors authorized a new program to repurchase up to $1 billion of our common stock. This new stock repurchase program, which expires on May 31, 2017, supersedes and replaces the stock repurchase authorization approved in May 2014. Under this program, we may purchase stock in the open market or through privately-negotiated transactions in accordance with applicable securities laws, including pursuant to pre-arranged stock trading plans. The timing and actual amount of the stock repurchases will depend on several factors including price, capital availability, regulatory requirements, alternative investment opportunities and other market conditions. We are not obligated to repurchase any specific number of shares under this program and it may be modified, suspended or discontinued at any time. We continue to actively repurchase shares.

The following table summarizes the number of shares repurchased in the fourth quarter of the fiscal year ended March 31, 2015 under the May 2014 program:

Fiscal Month	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as part of Publicly Announced Program	Maximum Dollar Value that May Still Be Purchased Under the Program (in millions)
December 28, 2014 — January 24, 2015	485,400	$47.28	485,400	$485
January 25 — February 21, 2015	400,817	$53.75	400,817	$463
February 22 — March 28, 2015	891,422	$56.66	891,422	$413
	1,777,639	$53.44	1,777,639	

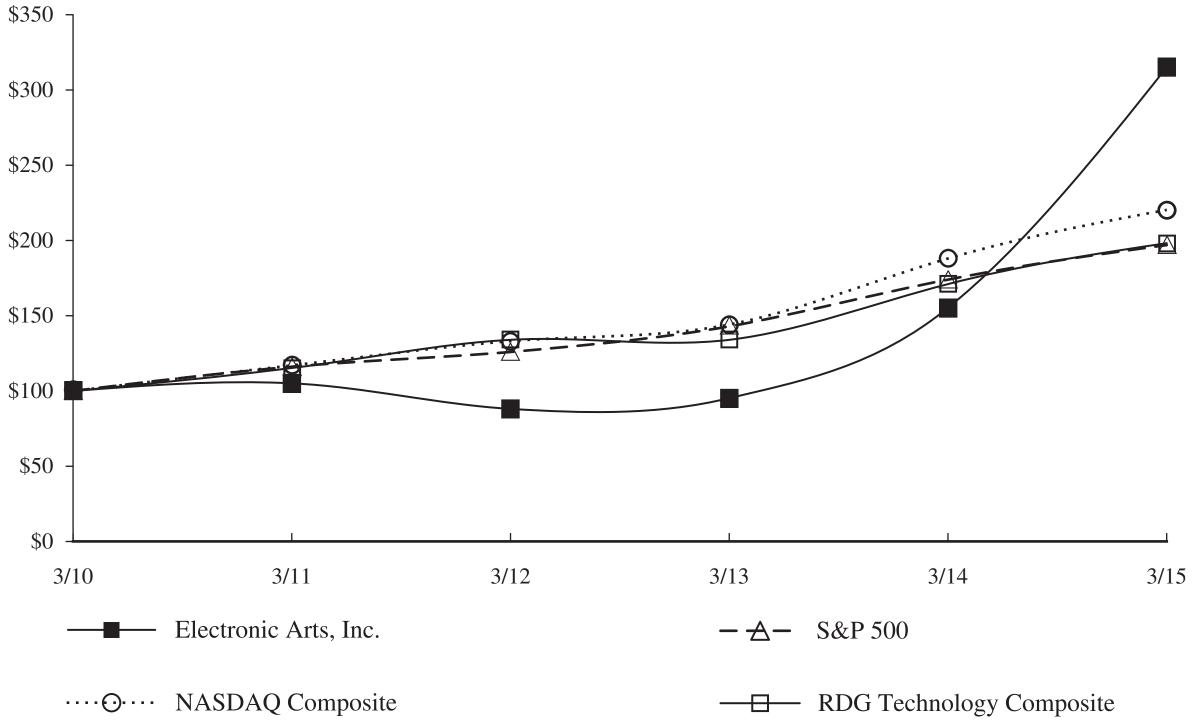
Stock Performance Graph

The following information shall not be deemed to be "filed" with the SEC nor shall this information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate it by reference into a filing.

The following graph shows a five-year comparison of cumulative total returns during the period from March 31, 2010 through March 31, 2015, for our common stock, the S&P 500 Index (to which EA was added in July 2002), the NASDAQ Composite Index, and the RDG Technology Composite Index, each of which assumes an initial value of $100. Each measurement point is as of the end of each fiscal year ended March 31. The performance of our stock depicted in the following graph is not necessarily indicative of the future performance of our stock.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Electronic Arts Inc., the S&P 500 Index, the NASDAQ Composite Index, and the RDG Technology Composite Index



* Based on $100 invested on March 31, 2010 in stock or index, including reinvestment of dividends.

	March 31,					
	2010	**2011**	**2012**	**2013**	**2014**	**2015**
Electronic Arts Inc.	$100	$105	$ 88	$ 95	$155	$315
S&P 500 Index	100	116	126	143	174	197
NASDAQ Composite Index	100	117	133	144	188	220
RDG Technology Composite Index	100	115	134	134	171	198

Item 6: ***Selected Financial Data***

ELECTRONIC ARTS INC. AND SUBSIDIARIES

SELECTED FIVE-YEAR CONSOLIDATED FINANCIAL DATA

(In millions, except per share data)

	Year Ended March 31,				
STATEMENTS OF OPERATIONS DATA	**2015**	**2014**	**2013**	**2012**	**2011**
Net revenue	$4,515	$3,575	$3,797	$4,143	$3,589
Cost of revenue	1,429	1,347	1,388	1,598	1,499
Gross profit	3,086	2,228	2,409	2,545	2,090
Total operating expenses	2,138	2,195	2,288	2,510	2,402
Operating income (loss)	948	33	121	35	(312)
Gains on strategic investments, net	—	—	39	—	23
Interest and other income (expense), net	(23)	(26)	(21)	(17)	10
Income (loss) before provision for (benefit from) income taxes	925	7	139	18	(279)
Provision for (benefit from) income taxes	50	(1)	41	(58)	(3)
Net income (loss)	$ 875	$ 8	$ 98	$ 76	$ (276)
Net income (loss) per share:					
Basic	$ 2.81	$ 0.03	$ 0.32	$ 0.23	$ (0.84)
Diluted	$ 2.69	$ 0.03	$ 0.31	$ 0.23	$ (0.84)
Number of shares used in computation:					
Basic	311	308	310	331	330
Diluted	325	316	313	336	330

	As of March 31,				
BALANCE SHEETS DATA	**2015**	**2014**	**2013**	**2012**	**2011**
Cash and cash equivalents	$2,068	$1,782	$1,292	$1,293	$1,579
Short-term investments	953	583	388	437	497
Marketable equity securities	—	—	—	119	161
Working capital	973[a]	748	408	489	1,031
Total assets	6,147	5,716	5,070	5,491	4,928
0.75% convertible senior notes due 2016, net	633[a]	580	559	539	—
Other long-term liabilities	333	324	327	374	363
Total liabilities	3,080	3,294	2,803	3,033	2,364
Total stockholders' equity	3,036[a]	2,422	2,267	2,458	2,564

(a) During the quarter ended March 31, 2015, the market value of our common stock exceeded the conversion trigger price of $41.26 per share for at least 20 trading days of the 30 consecutive trading days preceding quarter end. As a result, the Notes are convertible at the option of the holder through July 4, 2015, and the $602 million carrying value of the Notes was reclassified as a current liability and the excess $31 million of the principal amount over the carrying value of the Notes was reclassified from permanent equity to temporary equity in the Consolidated Balance Sheets as of March 31, 2015. See Note 12 — Financing Arrangements to the Consolidated Financial Statements as it relates to the Notes, the convertibility of the Notes, and the Convertible Note Hedge and Warrants, which is incorporated by reference into this Item 6.

Item 7: ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

OVERVIEW

The following overview is a high-level discussion of our operating results, as well as some of the trends and drivers that affect our business. Management believes that an understanding of these trends and drivers provides important context for our results for the fiscal year ended March 31, 2015, as well as our future prospects. This summary is not intended to be exhaustive, nor is it intended to be a substitute for the detailed discussion and analysis provided elsewhere in this Form 10-K, including in the "Business" section and the "Risk Factors" above, the remainder of this "Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A")", and the Consolidated Financial Statements and related Notes.

About Electronic Arts

We develop, market, publish and distribute game software content and services that can be played by consumers on a variety of platforms, including video game consoles (such as the PlayStation 3 and 4 from Sony, and the Xbox 360 and Xbox One from Microsoft), PCs, mobile phones and tablets. We deliver our games and services to our players across multiple platforms, through multiple distribution channels, and directly (online and wirelessly). Some of our games are based on our wholly-owned intellectual property (*e.g.*, Battlefield, Mass Effect, Need for Speed, Dragon Age, The Sims, SimCity, Bejeweled, and Plants vs. Zombies), and some of our games leverage content that we license from others (*e.g.*, FIFA, Madden NFL and Star Wars). We also publish and distribute games developed by third parties (*e.g.*, *Titanfall*). Our goal is to develop our intellectual properties into year-round businesses available on a range of platforms. Our products and services may be purchased through physical and online retailers, platform providers such as console manufacturers, providers of free-to-download PC games played on the Internet, mobile carriers via streaming and digital downloads and directly through Origin, our own digital distribution platform.

Financial Results

Total net revenue for the fiscal year ended March 31, 2015 was $4,515 million, an increase of $940 million, or 26 percent, as compared to the fiscal year ended March 31, 2014. Net revenue for the fiscal year ended March 31, 2015 was driven by *FIFA 14*, *FIFA 15*, and *Battlefield 4.* At March 31, 2015, deferred net revenue associated with sales of online-enabled games decreased by $207 million as compared to March 31, 2014, directly increasing the amount of reported net revenue during the fiscal year ended March 31, 2015. At March 31, 2014, deferred net revenue associated with sales of online-enabled games increased by $446 million as compared to March 31, 2013, directly decreasing the amount of reported net revenue during the fiscal year ended March 31, 2014. Disregarding the impact of the deferred net revenue of $287 million and $11 million of unrecognized cash flow hedging net gains, reported net revenue would have increased by approximately $298 million, or 7 percent, during the fiscal year ended March 31, 2015 as compared to the fiscal year ended March 31, 2014.

Net income for the fiscal year ended March 31, 2015 was $875 million as compared to $8 million for the fiscal year ended March 31, 2014. Diluted earnings per share for the fiscal year ended March 31, 2015 was $2.69 as compared to a diluted earnings per share of $0.03 for the fiscal year ended March 31, 2014. Net income increased for the fiscal year ended March 31, 2015 as compared to the fiscal year ended March 31, 2014 primarily as a result of a $940 million increase in net revenue and a $57 million decrease in operating expenses, partially offset by an $82 million increase in cost of revenue and a $51 million increase in income tax expenses.

International Operations and Foreign Currency Exchange Impact. International net revenue was $2,559 million, or 57 percent of total net revenue during the fiscal year ended March 31, 2015, compared to $2,065 million, or 58 percent of total net revenue during the fiscal year ended March 31, 2014, an increase of $494 million, or 24 percent. We estimate that the negative impact of foreign currency exchange rates due to translation during the second half of fiscal year 2015 (primarily the U.S. Dollar strengthening against the Euro) and related cash flow hedging activities, decreased reported International net revenue by approximately $30 million, or 1 percent, for the fiscal year ended March 31, 2015. Excluding the negative impact of foreign currency exchange rates from translation and related cash flow hedging activities, we estimate that International net revenue would have increased by approximately $524 million, or 25 percent for the fiscal year ended March 31, 2015 as compared to the fiscal year ended March 31, 2014. This increase is primarily due to our FIFA and Plants vs. Zombies franchises, and *Titanfall*, partially offset by decreased revenue in our SimCity, Crysis, and Dead Space franchises. In addition, our international investments and our cash and cash equivalents denominated in foreign currencies are subject to fluctuations in foreign currency exchange rates and decline in value when the U.S. dollar strengthens against the currencies in which our international investments are denominated.

Trends in Our Business

Digital Transformation. Our business continues to transform from a traditional packaged goods business model to one in which our games and services are sold and delivered via a network connection, with digitally-delivered content, features and services helping to extend the life of the respective game offering. For example, many of our products that traditionally have been sold only as packaged goods products can now also be purchased and downloaded via a network connection. We also include digitally-delivered content, features and services as part of the product offering, either made available for free or at additional cost. For example, the Ultimate Team mode incorporated into recent iterations of our FIFA, Madden NFL, NHL and NBA franchises and expansion packs available digitally for our Battlefield and Sims franchises have kept many of our players engaged with those games for longer periods of time. Additionally, our mobile and PC free-to-download games are available solely via digital delivery and are typically monetized through a business model through which we sell incremental content and/or features in discrete transactions. We also provide our EA Access service for the Xbox One which offers players access to a selection of EA games and other benefits for a monthly or annual fee.

We significantly increased our digital net revenue from $1,440 million in fiscal year 2013 to $1,833 million in fiscal year 2014 and $2,199 million during fiscal year 2015. We expect this portion of our business to continue to grow through fiscal year 2016 and beyond.

Console System Transition. We have made and will continue to make significant investments in products and services for the PlayStation 4 from Sony and Xbox One from Microsoft, and we also expect to continue to develop and market products and services for the Microsoft Xbox 360 and the Sony PlayStation 3. Industry sales of major games for these legacy consoles declined significantly during our 2015 fiscal year. Although the decline in sales for legacy consoles was less than we anticipated during fiscal year 2015, we think that this sales decline trend will continue. The success of our products and services for the new-generation consoles depends in part on the commercial success and adequate supply of, as well as our ability to develop commercially successful products and services for, these consoles.

Foreign Currency Exchange Rates. International sales are a fundamental part of our business, and the significant strengthening of the U.S. Dollar during the second half of fiscal year 2015 (particularly relative to the Euro, British pound sterling, Swedish krona and Canadian dollar) had a negative impact on our reported international net revenues, but a positive impact on our reported international operating expenses because these amounts were translated at lower rates in fiscal year 2015 than in fiscal year 2014. While we use foreign currency hedging contracts to mitigate some foreign currency exchange risk, these activities are limited in the protection that they provide us and can themselves result in losses. We currently anticipate foreign currency exchange rates to have a negative impact on our expected reported net revenue in fiscal year 2016 as compared to fiscal year 2015, but the strengthening of the U.S. dollar is expected to have a positive impact on our reported operating expenses as a significant portion of those expenses are incurred outside the United States.

Mobile and PC Free-to-Download Games. The proliferation of mobile phones and tablets has significantly increased the consumer base for mobile games. The broad consumer acceptance of free-to-download business models, which allow consumers to try new games with no up-front cost and pay for additional content or in-game items, has led to growth in the mobile gaming industry. Likewise, the mass introduction and wide consumer acceptance of free-to-download, micro-transaction-based PC games played over the Internet has also broadened our consumer base. We expect revenue generated from mobile and PC free-to-download games to remain an important part of our business.

We track an estimate of monthly active users ("MAUs") for our mobile business, which we believe is a useful indicator of player engagement trends for that business. For the fiscal year ended March 31, 2015, we had average MAUs of over 165 million. MAUs are the aggregate number of individuals who accessed a particular game on a particular device in the last 30 days as of the measurement date. For our calculation, an individual who either plays two of our games on a single device, or the same game on two devices in the relevant period, would be counted as two users. Average MAUs for a particular period is the average of the MAUs at each month-end during that period. MAUs are calculated using internal company data based on tracking the activity of user accounts. We also include in this calculation data provided by our third party publishing partners for certain games that we develop but we exclude information from third party titles that we publish. From time to time, we adjust the calculation for user activity that is inconsistent with our methodology. We believe that the numbers are reasonable estimates of our user base for the applicable period of measurement; however, factors relating to user activity may impact these numbers. Our methodology for calculating MAUs may differ from the methodology used by other companies to calculate this metric.

Concentration of Sales Among the Most Popular Games. In all major segments of our industry, we see a large portion of games sales concentrated on the most popular titles, and many of those titles are sequels of prior games. A significant portion of our revenue has historically been derived from games and services based on a few popular franchises. For example, in fiscal year 2015, net revenue generated from the sale of products and services associated with our three largest franchises accounted for approximately 54% of our net revenue. We expect this trend to continue in fiscal year 2016.

Recent Developments

Stock Repurchase Program. In May 2015, our Board of Directors authorized a new program to repurchase up to $1 billion of our common stock. This new stock repurchase program, which expires on May 31, 2017, supersedes and replaces the stock repurchase authorization approved in May 2014 under which we repurchased approximately 8.3 million shares for approximately $337 million during fiscal year 2015. Under the new program, we may purchase stock in the open market or through privately-negotiated transactions in accordance with applicable securities laws, including pursuant to pre-arranged stock trading plans. The timing and actual amount of the stock repurchases will depend on several factors including price, capital availability, regulatory requirements, alternative investment opportunities and other market conditions. We are not obligated to repurchase any specific number of shares under this program and it may be modified, suspended or discontinued at any time. We continue to actively repurchase shares.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The preparation of these Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and liabilities, and revenue and expenses during the reporting periods. The policies discussed below are considered by management to be critical because they are not only important to the portrayal of our financial condition and results of operations, but also because application and interpretation of these policies requires both management judgment and estimates of matters that are inherently uncertain and unknown. As a result, actual results may differ materially from our estimates.

Revenue Recognition, Sales Returns and Allowances, and Bad Debt Reserves

We derive revenue principally from sales of interactive software games, and related content (*e.g.,* micro-transactions) and services on (1) video game consoles (such as the PlayStation 3 and 4 from Sony, and the Xbox 360 and Xbox One from Microsoft) and PCs, and (2) mobile phones and tablets. We evaluate revenue recognition based on the criteria set forth in FASB Accounting Standards Codification ("ASC") 605, *Revenue Recognition* and ASC 985-605, *Software: Revenue Recognition*. We classify our revenue as either product revenue or service and other revenue.

Product revenue. Our product revenue includes revenue associated with the sale of software games or related content, whether delivered via a physical disc (*e.g*., packaged goods) or delivered digitally via the Internet (*e.g.,* full-game downloads, extra-content), and licensing of game software to third-parties. Product revenue also includes revenue from mobile full-game downloads that do not require our hosting support (*e.g.*, premium mobile games), and sales of tangible products such as hardware, peripherals, or collectors' items.

Service and other revenue. Our service revenue includes revenue recognized from time-based subscriptions and games or related content that requires our hosting support in order to utilize the game or related content (*i.e.*, can only be played with an Internet connection). This includes (1) entitlements to content that are accessed through hosting services (*e.g.,* micro-transactions for Internet-based, social network and free-to-download mobile games), (2) massively multi-player online ("MMO") games (both software game and subscription sales), (3) subscriptions for our Battlefield Premium, EA Access and Pogo-branded online game services, and (4) allocated service revenue from sales of software games with an online service element (*i.e.,* "matchmaking" service). Our other revenue includes advertising and non-software licensing revenue.

With respect to the allocated service revenue from sales of software games with a matchmaking service mentioned above, our allocation of proceeds between product and service revenue for presentation purposes is based on management's best estimate of the selling price of the matchmaking service with the residual value allocated to product revenue. Our estimate of the selling price of the matchmaking service is comprised of several factors including, but not limited to, prior selling prices for the matchmaking service, prices charged separately by other third-party vendors for similar service offerings, and a cost-plus-margin approach. We review the estimated selling price of the online matchmaking service on a regular basis and use this methodology consistently to allocate revenue between product and service for software game sales with a matchmaking service.

We evaluate and recognize revenue when all four of the following criteria are met:

- *Evidence of an arrangement*. Evidence of an agreement with the customer that reflects the terms and conditions to deliver the related products or services must be present.
- *Fixed or determinable fee*. If a portion of the arrangement fee is not fixed or determinable, we recognize revenue as the amount becomes fixed or determinable.
- *Collection is deemed probable*. Collection is deemed probable if we expect the customer to be able to pay amounts under the arrangement as those amounts become due. If we determine that collection is not probable as the amounts become due, we generally conclude that collection becomes probable upon cash collection.
- *Delivery*. For packaged goods, delivery is considered to occur when a product is shipped and the risk of loss and rewards of ownership have transferred to the customer. For digital downloads, delivery is considered to occur when the software is made available to the customer for download. For services and other, delivery is generally considered to occur as the service is delivered, which is determined based on the underlying service obligation. If there is significant uncertainty of acceptance, revenue is recognized once acceptance is reasonably assured.

Online-Enabled Games

The majority of our software games and related content can be connected to the Internet whereby a consumer may be able to download unspecified content or updates on a when-and-if-available basis ("unspecified updates") for use with the original game software. In addition, we may also offer an online matchmaking service that permits consumers to play against each other via the Internet without a separate fee. U.S. GAAP requires us to account for the consumer's right to receive unspecified updates or the matchmaking service for no additional fee as a "bundled" sale, or multiple-element arrangement.

We have an established historical pattern of providing unspecified updates (*e.g.,* player roster updates to *Madden NFL 15*) to online-enabled games and related content at no additional charge to the consumer. We do not have vendor-specific objective evidence of fair value ("VSOE") for these unspecified updates, and thus, as required by U.S. GAAP, we recognize revenue from the sale of these online-enabled games and related content over the period we expect to offer the unspecified updates to the consumer ("estimated offering period").

Estimated Offering Period

Because the offering period is not an explicitly defined period, we must make an estimate of the offering period. Determining the estimated offering period is inherently subjective and is subject to regular revision based on historical online usage. For example, in determining the estimated offering period for unspecified updates associated with our online-enabled games, we consider the period of time consumers are online as online connectivity is required. On an annual basis, we review consumers' online gameplay of all online-enabled games that have been released 12 to 24 months prior to the evaluation date. For example, if our evaluation date is April 1, 2014, we evaluate all online-enabled games released between April 1, 2012 and March 31, 2013. Based on this population of games, for all players that register the game online within the first six months of release of the game to the general public, we compute the weighted-average number of days for each online-enabled game, based on when a player initially registers the game online to when that player last plays the game online. We then compute the weighted-average number of days for all online-enabled games by multiplying the weighted-average number of days for each online-enabled game by its relative percentage of total units sold from these online-enabled games (*i.e.,* a game with more units sold will have a higher weighting to the overall computation than a game with fewer units sold). Under a similar computation, we also consider the estimated period of time between the date a game unit is sold to a reseller and the date the reseller sells the game unit to an end consumer (*i.e.,* time in channel). Based on these two calculations we then consider the method of distribution. For example, physical software games sold at retail would have a composite offering period equal to the online gameplay plus time in channel as opposed to digitally distributed software games which are delivered immediately via digital download and thus have no concept of channel. Additionally, we consider results from prior analyses, known online gameplay trends, as well as disclosed service periods for competitors' games in determining the estimated offering period for future sales.

While we consistently apply this methodology, inherent assumptions used in this methodology include which online-enabled games to sample, whether to use only units that have registered online, whether to weight the number of days for each game, whether to weight the days based on the units sold of each game, determining the period of time between the date of sale to reseller and the date of sale to the consumer and assessing online gameplay trends.

Prior to July 1, 2013, for most sales, we estimated the offering period to be six months and recognized revenue over this period in the month after delivery. During the three months ended September 30, 2013, we completed our fiscal 2014 annual evaluation of the estimated offering period and noted that generally, consumers were playing our games online over a longer period of time. Based on this, we concluded that for physical software sales made after June 30, 2013, the estimated offering period should be increased to nine months, resulting in revenue being recognized over a longer period of time. This change in estimate resulted in an estimated decrease to net revenue and net income of $474 million and a decrease of $1.50 of diluted earnings per share for fiscal year 2014. During the fiscal year ended March 31, 2015, this change in estimate resulted in an estimated increase to net revenue and net income of $474 million and an increase of $1.46 of diluted earnings per share. The estimated offering period for digitally distributed games did not change and is six months. We completed our fiscal 2015 annual evaluation during the second quarter and determined that the estimated offering period for physical software sales and digital sales continues to be nine months and six months, respectively.

Other Multiple-Element Arrangements

In some of our multiple-element arrangements, we sell tangible products with software and/or software-related offerings. These tangible products are generally either peripherals or ancillary collectors' items, such as figurines and comic books. Revenue for these arrangements is allocated to each separate unit of accounting for each deliverable using the relative selling prices of each deliverable in the arrangement based on the selling price hierarchy described below. If the arrangement contains more than one software deliverable, the arrangement consideration is allocated to the software deliverables as a group and then allocated to each software deliverable in accordance with ASC 985-605.

We determine the selling price for a tangible product deliverable based on the following selling price hierarchy: VSOE (*i.e.*, the price we charge when the tangible product is sold separately) if available, third-party evidence ("TPE") of fair value (*i.e.*, the price charged by others for similar tangible products) if VSOE is not available, or our best estimate of selling price ("BESP") if neither VSOE nor TPE is available. Determining the BESP is a subjective process that is based on multiple factors including, but not limited to, recent selling prices and related discounts, market conditions, customer classes, sales channels and other factors. In accordance with ASC 605, provided the other three revenue recognition criteria other than delivery have been met, we recognize revenue upon delivery to the customer as we have no further obligations.

We must make assumptions and judgments in order to (1) determine whether and when each element is delivered, (2) determine whether VSOE exists for each undelivered element, and (3) allocate the total price among the various elements, as applicable. Changes to any of these assumptions and judgments, or changes to the elements in the arrangement, could cause a material increase or decrease in the amount of revenue that we report in a particular period.

Principal Agent Considerations

In accordance with ASC 605-45, *Revenue Recognition: Principal Agent Considerations*, we evaluate sales of our interactive software games via third party storefronts, including digital storefronts such as Xbox Live Marketplace, Sony PSN, Apple App Store, and Google Play, in order to determine whether or not we are acting as the principal or as an agent, which we consider in determining if revenue should be reported gross or net of fees retained by the storefront. Key indicators that we evaluate in determining gross versus net treatment include but are not limited to the following:

- The party responsible for delivery/fulfillment of the product or service to the end consumer
- The party responsible for the billing, collection of fees and refunds to the consumer
- The storefront and Terms of Sale that govern the consumer's purchase of the product or service
- The party that sets the pricing with the consumer and has credit risk

Based on the evaluation of the above indicators, we have determined that we are generally acting as an agent and are not considered the primary obligor to consumers for our interactive software games distributed through third party digital storefronts. We therefore recognize revenue related to these arrangements on a net basis.

Sales Returns and Allowances and Bad Debt Reserves

We reduce revenue primarily for estimated future returns and price protection which may occur with our distributors and retailers ("channel partners"). Price protection represents our practice to provide our channel partners with a credit allowance to lower their wholesale price on a particular product in the channel. The amount of the price protection is generally the difference between the old wholesale price and the new reduced wholesale price. In certain countries for our PC and console packaged goods software products, we also have a practice of allowing channel partners to return older software products in the channel in exchange for a credit allowance. As a general practice, we do not give cash refunds.

When evaluating the adequacy of sales returns and price protection allowances, we analyze the following: historical credit allowances, current sell-through of our channel partners' inventory of our software products, current trends in retail and the video game industry, changes in customer demand, acceptance of our software products, and other related factors. In addition, we monitor the volume of sales to our channel partners and their inventories, as substantial overstocking in the distribution channel could result in high returns or higher price protection in subsequent periods.

In the future, actual returns and price protections may materially exceed our estimates as unsold software products in the distribution channels are exposed to rapid changes in consumer preferences, market conditions or technological obsolescence due to new platforms, product updates or competing software products. While we believe we can make reliable estimates regarding these matters, these estimates are inherently subjective. Accordingly, if our estimates change, our returns and price protection allowances would change and would impact the total net revenue, accounts receivable and deferred net revenue that we report.

We determine our allowance for doubtful accounts by evaluating the following: customer creditworthiness, current economic trends, historical experience, age of current accounts receivable balances, and changes in financial condition or payment terms of our customers. Significant management judgment is required to estimate our allowance for doubtful accounts in any accounting period. The amount and timing of our bad debt expense and cash collection could change significantly as a result of a change in any of the evaluation factors mentioned above.

Fair Value Estimates

The preparation of financial statements in conformity with U.S. GAAP often requires us to determine the fair value of a particular item in order to fairly present our financial statements. Without an independent market or another representative transaction, determining the fair value of a particular item requires us to make several assumptions that are inherently difficult to predict and can have a material impact on the accounting.

There are various valuation techniques used to estimate fair value. These include (1) the market approach where market transactions for identical or comparable assets or liabilities are used to determine the fair value, (2) the income approach, which uses valuation techniques to convert future amounts (for example, future cash flows or future earnings) to a single present value amount, and (3) the cost approach, which is based on the amount that would be required to replace an asset. For many of our fair value estimates, including our estimates of the fair value of acquired intangible assets, we use the income approach. Using the income approach requires the use of financial models, which require us to make various estimates including, but not limited to (1) the potential future cash flows for the asset or liability being measured, (2) the timing of receipt or payment of those future cash flows, (3) the time value of money associated with the expected receipt or payment of such cash flows, and (4) the inherent risk associated with the cash flows (risk premium). Making these cash flow estimates is inherently difficult and subjective, and if any of the estimates used to determine the fair value using the income approach turns out to be inaccurate, our financial results may be negatively impacted. Furthermore, relatively small changes in many of these estimates can have a significant impact to the estimated fair value resulting from the financial models or the related accounting conclusion reached. For example, a relatively small change in the estimated fair value of an asset may change a conclusion as to whether an asset is impaired.

While we are required to make certain fair value assessments associated with the accounting for several types of transactions, the following areas are the most sensitive to these assessments:

Business Combinations. We must estimate the fair value of assets acquired, liabilities and contingencies assumed, acquired in-process technology, and contingent consideration issued in a business combination. Our assessment of the estimated fair value of each of these can have a material effect on our reported results as intangible assets are amortized over various estimated useful lives. Furthermore, the estimated fair value assigned to an acquired asset or liability has a direct impact on the amount we recognize as goodwill, which is an asset that is not amortized. Determining the fair value of assets acquired requires an assessment of the highest and best use or the expected price to sell the asset and the related expected future cash flows. Determining the fair value of acquired in-process technology also requires an assessment of our expectations related to the use of that technology. Determining the fair value of an assumed liability requires an assessment of the expected cost to transfer the liability. Determining the fair value of contingent consideration requires an assessment of the probability-weighted expected future cash flows over the period in which the obligation is expected to be settled, and applying a discount rate that appropriately captures the risk associated with the obligation. The significant unobservable inputs used in the fair value measurement of the contingent consideration payable are forecasted earnings. Significant changes in forecasted earnings would result in significantly higher or lower fair value measurement. This fair value assessment is also required in periods subsequent to a business combination. Such estimates are inherently difficult and subjective and can have a material impact on our Consolidated Financial Statements.

Assessment of Impairment of Goodwill, Intangibles, and Other Long-Lived Assets. Current accounting standards require that we assess the recoverability of our finite lived acquisition-related intangible assets and other long-lived assets whenever events or changes in circumstances indicate the remaining value of the assets recorded on our Consolidated Balance Sheets is potentially impaired. In order to determine if a potential impairment has occurred, management must make various assumptions about the estimated fair value of the asset by evaluating future business prospects and estimated future cash flows. For some assets, our estimated fair value is dependent upon predicting which of our products will be successful. This success is dependent upon several factors, such as which operating platforms will be successful in the marketplace. Also, our revenue and earnings are dependent on our ability to meet our product release schedules. Judgments and assumptions about future cash flows and remaining useful lives are complex and often subjective. They can be affected by a variety of factors, including but not limited to, significant negative industry or economic trends, significant changes in the manner of our use of the assets or the strategy of our overall business and significant under-performance relative to projected future operating results. When we consider such assets to be impaired, the amount of impairment we recognize is measured by the amount by which the carrying amount of the asset exceeds its fair value.

In assessing impairment on our goodwill, we first analyze qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. The qualitative factors we assess include long-term prospects of our performance, share price trends and market capitalization, and Company specific events. If we conclude it is more likely than not that the fair value of a reporting unit exceeds its carrying amount, we do not need to perform the two-step impairment test. If based on that assessment, we believe it is more likely than not that the fair value of the reporting unit is less than its carrying value, a two-step goodwill impairment test will be performed. The first step measures for impairment by applying fair value-based tests at the reporting unit level. The second step (if necessary) measures the amount of impairment by applying fair value-based tests to the individual assets and liabilities within each reporting unit. Reporting units are determined by the components of operating segments that constitute a business for which (1) discrete financial information is available, (2) segment management regularly reviews the operating results of that component, and (3) whether the component has dissimilar economic characteristics to other components.

As of our last annual assessment of goodwill in the fourth quarter of fiscal year 2015, we determined that it was more likely than not that the fair value of our reporting unit exceeded its carrying amount and, as such, we did not need to perform the two-step impairment test. We have not identified any indicators of impairment since that assessment.

Our business consists of developing, marketing and distributing video game software content and services using both established and emerging intellectual properties and our forecasts for emerging intellectual properties are based upon internal estimates and external sources rather than historical information and have an inherently higher risk of inaccuracy. If future forecasts are revised, they may indicate or require future impairment charges. We base our fair value estimates on assumptions we believe to be reasonable, but that are unpredictable and inherently uncertain. Actual future results may differ from those estimates.

Royalties and Licenses

Our royalty expenses consist of payments to (1) content licensors, (2) independent software developers, and (3) co-publishing and distribution affiliates. License royalties consist of payments made to celebrities, professional sports organizations, movie studios and other organizations for our use of their trademarks, copyrights, personal publicity rights, content and/or other intellectual property. Royalty payments to independent software developers are payments for the development of intellectual property related to our games. Co-publishing and distribution royalties are payments made to third parties for the delivery of products.

Royalty-based obligations with content licensors and distribution affiliates are either paid in advance and capitalized as prepaid royalties or are accrued as incurred and subsequently paid. These royalty-based obligations are generally expensed to cost of revenue generally at the greater of the contractual rate or an effective royalty rate based on the total projected net revenue for contracts with guaranteed minimums. Significant judgment is required to estimate the effective royalty rate for a particular contract. Because the computation of effective royalty rates requires us to project future revenue, it is inherently subjective as our future revenue projections must anticipate a number of factors, including (1) the total number of titles subject to the contract, (2) the timing of the release of these titles, (3) the number of software units and amount of extra content that we expect to sell, which can be impacted by a number of variables, including product quality, number of platforms we release on, the timing of the title's release and competition, and (4) future pricing. Determining the effective royalty rate for our titles is particularly challenging due to the inherent difficulty in predicting the popularity of entertainment products. Furthermore, if we conclude that we are unable to make a reasonably reliable forecast of projected net revenue, we recognize royalty expense at the greater of contract rate or on a straight-line basis over the term of the contract. Accordingly, if our future revenue projections change, our effective royalty rates would change, which could impact the amount and timing of royalty expense we recognize.

Prepayments made to thinly capitalized independent software developers and co-publishing affiliates are generally made in connection with the development of a particular product, and therefore, we are generally subject to development risk prior to the release of the product. Accordingly, payments that are due prior to completion of a product are generally expensed to research and development over the development period as the services are incurred. Payments due after completion of the product (primarily royalty-based in nature) are generally expensed as cost of revenue.

Our contracts with some licensors include minimum guaranteed royalty payments, which are initially recorded as an asset and as a liability at the contractual amount when no performance remains with the licensor. When performance remains with the licensor, we record guarantee payments as an asset when actually paid and as a liability when incurred, rather than recording the asset and liability upon execution of the contract. Royalty liabilities are classified as current liabilities to the extent such royalty payments are contractually due within the next 12 months.

Each quarter, we also evaluate the expected future realization of our royalty-based assets, as well as any unrecognized minimum commitments not yet paid to determine amounts we deem unlikely to be realized through product and service sales. Any impairments or losses determined before the launch of a product are generally charged to research and development expense. Impairments or losses determined post-launch are charged to cost of revenue. We evaluate long-lived royalty-based assets for impairment using undiscounted cash flows when impairment indicators exist. If impairment exists, then the assets are written down to fair value. Unrecognized minimum royalty-based commitments are accounted for as executory contracts, and therefore, any losses on these commitments are recognized when the underlying intellectual property is abandoned (*i.e.*, cease use) or the contractual rights to use the intellectual property are terminated.

Income Taxes

We recognize deferred tax assets and liabilities for both the expected impact of differences between the financial statement amount and the tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax losses and tax credit carryforwards. We record a valuation allowance against deferred tax assets when it is considered more likely than not that all or a portion of our deferred tax assets will not be realized. In making this determination, we are required to give significant weight to evidence that can be objectively verified. It is generally difficult to conclude that a valuation allowance is not needed when there is significant negative evidence, such as cumulative losses in recent years. Forecasts of future taxable income are considered to be less objective than past results. Therefore, cumulative losses weigh heavily in the overall assessment.

In addition to considering forecasts of future taxable income, we are also required to evaluate and quantify other possible sources of taxable income in order to assess the realization of our deferred tax assets, namely the reversal of existing deferred tax liabilities, the carry back of losses and credits as allowed under current tax law, and the implementation of tax planning strategies. Evaluating and quantifying these amounts involves significant judgments. Each source of income must be evaluated based on all positive and negative evidence; this evaluation involves assumptions about future activity. Certain taxable temporary differences that are not expected to reverse during the carry forward periods permitted by tax law cannot be considered as a source of future taxable income that may be available to realize the benefit of deferred tax assets.

In fiscal year 2015, we reported U.S. pre-tax income, compared to pre-tax losses in each of the last seven fiscal years. We have not yet been able to establish a sustained level of profitability in the U.S. or other sufficient significant positive evidence to conclude that our U.S. deferred tax assets are more likely than not to be realized. Therefore, we continue to maintain a valuation allowance against most of our U.S. deferred tax assets. It is reasonably possible that in fiscal year 2016 we will establish a sustained level of profitability in the U.S. As a result, it is possible that a significant portion of the $539 million valuation allowance recorded against our U.S. deferred tax assets at March 31, 2015 could be reversed by the end of fiscal year 2016.

In the ordinary course of our business, there are many transactions and calculations where the tax law and ultimate tax determination is uncertain. As part of the process of preparing our Consolidated Financial Statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate prior to the completion and filing of tax returns for such periods. This process requires estimating both our geographic mix of income and our uncertain tax positions in each jurisdiction where we operate. These estimates involve complex issues and require us to make judgments about the likely application of the tax law to our situation, as well as with respect to other matters, such as anticipating the positions that we will take on tax returns prior to our actually preparing the returns and the outcomes of disputes with tax authorities. The ultimate resolution of these issues may take extended periods of time due to examinations by tax authorities and statutes of limitations. In addition, changes in our business, including acquisitions, changes in our international corporate structure, changes in the geographic location of business functions or assets, changes in the geographic mix and amount of income, as well as changes in our agreements with tax authorities, valuation allowances, applicable accounting rules, applicable tax laws and regulations, rulings and interpretations thereof, developments in tax audit and other matters, and variations in the estimated and actual level of annual pre-tax income can affect the overall effective income tax rate.

Impact of Recently Issued Accounting Standards

In April 2015, the FASB issued ASU 2015-03, *Interest — Imputation of Interest* (Topic 835-30), which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by this ASU. The disclosure requirements will be effective for annual periods (and interim periods within those annual periods) beginning after December 15, 2015, and will require retrospective application. Early adoption is permitted. We do not expect the adoption to have a material impact on our Consolidated Financial Statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect that ASU 2014-09 will have on its Consolidated Financial Statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting. The new standard is effective for annual reporting periods beginning after December 15, 2016. Early application is not permitted. We are required to adopt this standard in the first quarter of fiscal year 2018; however, in April 2015, the FASB issued an exposure draft that would provide us with the option to adopt in either the first quarter of fiscal year 2018 or fiscal year 2019. We have not determined which of these two fiscal years we would adopt if the exposure draft is issued as final in its current form.

RESULTS OF OPERATIONS

Our fiscal year is reported on a 52- or 53-week period that ends on the Saturday nearest March 31. Our results of operations for the fiscal years ended March 31, 2015, 2014 and 2013 each contained 52 weeks and ended on March 28, 2015, March 29, 2014, and March 30, 2013, respectively. For simplicity of disclosure, all fiscal periods are referred to as ending on a calendar month-end.

Net Revenue

Net revenue consists of sales generated from (1) video games sold as packaged goods or as digital downloads and designed for play on video game consoles (such as the PlayStation 3 and 4 from Sony, and the Xbox 360 and One from Microsoft) and PCs, (2) video games for mobile phones and tablets, (3) separate software products and content and online game services associated with these products, (4) licensing our game software to third parties, (5) allowing other companies to manufacture and sell our products in conjunction with other products, and (6) advertisements on our online web pages and in our games.

We provide two different measures of our Net Revenue. One of these measures is presented in accordance with U.S. GAAP — Net Revenue by Product revenue and Service and other revenue. The second measure is a non-GAAP financial measure — Net Revenue before Revenue Deferral by Revenue Composition, which is primarily based on method of distribution. We use this second non-GAAP financial measure internally to evaluate our operating performance, when planning, forecasting and analyzing future periods, and when assessing the performance of our management team.

Management places a greater emphasis and focus on assessing our business through a review of the Net Revenue before Revenue Deferral by Revenue Composition than by Net Revenue by Product revenue and Service and other revenue. These two measures differ as (1) Net Revenue by Product revenue and Service and other revenue reflects the deferral and recognition of revenue in periods subsequent to the date of sale due to U.S. GAAP while Net Revenue before Revenue Deferral by Revenue Composition does not, and (2) both measures contain a different aggregation of sales from one another. For instance, Service and other revenue does not include a portion of our full-game digital download and mobile sales that are fully included in our Digital revenue. Further, Service and other revenue includes all of our revenue associated with MMO games while software sales associated with our MMOs are included in either Digital revenue or Packaged goods and other revenue depending on whether the sale was a full-game digital download or a packaged goods sale.

Comparison of Fiscal Year 2015 to Fiscal Year 2014

Net Revenue

For fiscal year 2015, net revenue was $4,515 million and increased $940 million, or 26 percent, as compared to fiscal year 2014. This increase was driven by a $1,481 million increase in revenue primarily from the FIFA and Madden NFL franchises, and *Titanfall.* This increase was partially offset by a $541 million decrease in revenue primarily from the SimCity, Crysis, Dead Space, and NCAA Football franchises, and *Star Wars: The Old Republic.*

Net Revenue by Product Revenue and Service and Other Revenue

Our net revenue by product revenue and service and other revenue for fiscal years 2015 and 2014 was as follows (in millions):

	Year Ended March 31,			
	2015	2014	$ Change	% Change
Net revenue:				
Product	$2,568	$2,134	$434	20%
Service and other	$1,947	$1,441	$506	35%
Total net revenue	$4,515	$3,575	$940	26%

Product Revenue

For fiscal year 2015, product revenue was $2,568 million, primarily driven by *FIFA 15*, *FIFA 14* and *Battlefield 4*. Product revenue increased $434 million, or 20 percent, as compared to fiscal year 2014. This increase was driven by an $837 million increase primarily from the FIFA, Madden NFL and Dragon Age franchises. This increase was partially offset by a $403 million decrease primarily from the Crysis, Dead Space, NCAA Football, Tiger Woods PGA Tour and Army of Two franchises.

Service and Other Revenue

For fiscal year 2015, service and other revenue was $1,947 million, primarily driven by *FIFA Ultimate Team, Titanfall,* and *Battlefield 4 Premium*. Service and other revenue for fiscal year 2015 increased $506 million, or 35 percent, as compared to fiscal year 2014. This increase was driven by a $660 million increase primarily from *Titanfall* and the FIFA and Plants vs Zombies franchises. This increase was partially offset by a $154 million decrease primarily from SimCity franchise, *Star Wars: The Old Republic,* and Pogo-branded online games services.

Supplemental Non-GAAP Net Revenue by Revenue Composition

As we continue to evolve our business and more of our products are delivered to consumers digitally via the Internet, we place a greater emphasis and focus on assessing our business through a review of net revenue by revenue composition.

Net Revenue before Revenue Deferral, a non-GAAP financial measure that excludes the impact of Revenue Deferral and the Recognition of Revenue Deferral on Net Revenue related to sales of online-enabled games and content, is provided in this section of MD&A, including a discussion of the components of this measure: (1) packaged goods and other and (2) the components that comprise our digital revenue. A reconciliation to the corresponding measure calculated in accordance with U.S. GAAP is provided in the discussion below.

"Revenue Deferral" in this "Net Revenue" section generally relates to sales of online-enabled games and content for which we do not have VSOE for unspecified updates to be delivered after the initial sale or for which we have a continuing service obligation. Fluctuations in the Revenue Deferral are largely dependent upon the amounts of products that we sell with the online features and services previously discussed, while the Recognition of Revenue Deferral for a period is also dependent upon (1) the amount deferred, (2) the period of time the software-related offerings and service obligations are to be provided, and (3) the timing of the sale.

Our sales are generally deferred and recognized over an estimated nine-month period beginning in the month after shipment for physical games sold through retail and an estimated six-month period for digitally delivered games and content, and therefore, the related revenue recognized during the fiscal quarter ended March 31 is primarily due to sales that occurred during the preceding six-month period for digitally delivered games and content, and the preceding nine-month period for physical games sold through retail. Consequently, most Revenue Deferrals incurred in the first quarter of a fiscal year are recognized within the same fiscal year; however, substantially all of the Revenue Deferrals incurred in the last month of a fiscal year will be recognized in the subsequent fiscal year.

We believe that excluding the impact of Revenue Deferral and the Recognition of Revenue Deferral related to online-enabled games and content from our operating results is important to facilitate comparisons between periods in understanding our underlying sales performance for the period, and understanding our operations because all related costs of revenues are expensed as incurred instead of deferred and recognized ratably. We use this non-GAAP financial measure internally to evaluate our operating performance, when planning, forecasting and analyzing future periods, and when assessing the performance of our management team. While we believe that this non-GAAP financial measure is useful in evaluating our business, this information should be considered as supplemental in nature and is not meant to be considered in isolation from or as a substitute for the related financial information prepared in accordance with GAAP. In addition, this non-GAAP financial measure may not be the same as non-GAAP financial measures presented by other companies.

Our non-GAAP net revenue by revenue composition and the reconciliation to net revenue for fiscal years 2015 and 2014 was as follows (in millions):

	Year Ended March 31,			
	2015	2014	$ Change	% Change
Packaged goods and other	$ 2,089	$ 2,228	$(139)	(6)%
Full-game downloads	419	323	96	30%
Extra content	925	760	165	22%
Subscriptions, advertising, and other	362	258	104	40%
Mobile	524	452	72	16%
Total Digital	2,230	1,793	437	24%
Net Revenue before Revenue Deferral (Non-GAAP Net Revenue)	$ 4,319	$ 4,021	$ 298	7%
Revenue Deferral	(3,536)	(3,350)	(186)	(6)%
Recognition of Revenue Deferral	3,732	2,904	828	29%
Change in deferred net revenue (online-enabled games)	196	(446)	642	144%
Total net revenue	$ 4,515	$ 3,575	$ 940	26%

Net Revenue before Revenue Deferral

Packaged goods and other

Packaged goods revenue includes sales of software that is distributed physically. This includes (1) sales of our internally-developed and co-published game software distributed physically through traditional channels such as brick and mortar retailers, (2) our software licensing revenue from third parties (for example, makers of personal computers or computer accessories) who include certain of our products for sale with their products ("OEM bundles"), and (3) sales through our Switzerland distribution business. Other revenue includes our non-software licensing revenue.

For fiscal year 2015, packaged goods and other Net Revenue before Revenue Deferral was $2,089 million, primarily driven by *FIFA 15*, *Madden NFL 15*, and *Dragon Age: Inquisition*. Packaged goods and other Net Revenue before Revenue Deferral for fiscal year 2015 decreased $139 million, or 6 percent, as compared to fiscal year 2014. This decrease was driven by a $650 million decrease in sales primarily from the Battlefield, Need for Speed and NCAA Football franchises. This decrease was partially offset by a $511 million increase in sales primarily from the Dragon Age, FIFA, and FIFA World Cup franchises.

Digital

Digital revenue includes sales of software distributed through direct download via the Internet. This includes full-game downloads, extra content, subscriptions, advertising and other, and mobile revenue. Digital revenue includes internally-developed and co-published game software distributed through our direct-to-consumer platform Origin, distributed wirelessly through mobile carriers, or licensed to our third-party publishing partners who distribute our games digitally. Full-game downloads are generally classified as product revenue with the exception of our MMO and full-game downloads related to games that require our hosting support in order to utilize the game or related content (e.g. *Titanfall* and *Plants vs. Zombies: Garden Warfare*), which are classified as service revenue. Subscriptions, advertising and other revenue and free-to-download mobile games are each generally classified as service and other revenue.

For fiscal year 2015, digital Net Revenue before Revenue Deferral was $2,230 million, an increase of $437 million, or 24%, as compared to fiscal year 2014. This increase is due to (1) a $96 million or 30 percent increase in full-game download sales primarily driven by *Dragon Age: Inquisition*, *FIFA 15* and *The Sims 4,* (2) a $165 million or 22 percent increase in extra content and free-to-download sales primarily driven by *FIFA Ultimate*

Team and *Madden Ultimate Team,* (3) a $104 million or 40 percent increase in subscription sales primarily driven by *Battlefield 4 Premium*, and (4) a $72 million or 16 percent increase in mobile revenue primarily driven by *Madden NFL Mobile*, *Simcity BuildIt*, *FIFA 15 Mobile*, and *FIFA Online 3.*

Revenue Deferral

Revenue Deferral for fiscal year 2015 increased $186 million, or 6 percent, as compared to fiscal year 2014. This increase was primarily due to a $298 million increase in Net Revenue before Revenue Deferral related to our packaged goods and other and digital sales during fiscal year 2015 as compared to fiscal year 2014.

Recognition of Revenue Deferral

The Recognition of Revenue Deferral for fiscal year 2015 increased $828 million, or 29 percent, as compared to fiscal year 2014. This increase was primarily due to (1) the increase in our estimated offering period from six to nine months, which was implemented during the second quarter of fiscal year 2014 for packaged goods sold through retail, and (2) an increase in digital and packaged goods sales during the preceding six and nine-month period. The change in estimated offering period resulted in an estimated increase to net revenue and net income of $474 million and an increase of $1.46 of diluted earnings per share for the fiscal year ended March 31, 2015.

Cost of Revenue

Cost of revenue for fiscal years 2015 and 2014 was as follows (in millions):

	March 31, 2015	% of Related Net Revenue	March 31, 2014	% of Related Net Revenue	% Change	Change as a % of Related Net Revenue
Cost of revenue:						
Product	$1,028	40.0%	$1,032	48.4%	(0.4)%	(8.4)%
Service and other	401	20.6%	315	21.9%	27.3%	(1.3)%
Total cost of revenue	$1,429	31.7%	$1,347	37.7%	6.1%	(6.0)%

Cost of Product Revenue

Cost of product revenue consists of (1) product costs, (2) certain royalty expenses for celebrities, professional sports and other organizations, and independent software developers, (3) manufacturing royalties, net of volume discounts and other vendor reimbursements, (4) expenses for defective products, (5) write-offs of post-launch prepaid royalty costs and losses on previously unrecognized licensed intellectual property commitments, (6) amortization of certain intangible assets, (7) personnel-related costs, and (8) warehousing and distribution costs. We generally recognize volume discounts when they are earned from the manufacturer (typically in connection with the achievement of unit-based milestones); whereas other vendor reimbursements are generally recognized as the related revenue is recognized.

Cost of product revenue decreased by $4 million, or 0.4 percent in fiscal year 2015, as compared to fiscal year 2014. Cost of product revenue decreased primarily due to an increase in net revenue before revenue deferral from our digital product sales that generally have lower costs than our packaged goods and other product sales during fiscal year 2015, as compared to the fiscal year 2014, partially offset by a loss of $122 million on a previously unrecognized licensed intellectual property commitment recognized during the three months ended June 30, 2014.

Cost of Service and Other Revenue

Cost of service and other revenue consists primarily of (1) royalty costs, (2) data center, bandwidth and server costs associated with hosting our online games and websites, (3) platform processing fees from operating our website-based games on third party platforms, and (4) credit card fees associated with our service revenue.

Cost of service and other revenue increased by $86 million, or 27.3 percent in fiscal year 2015, as compared to fiscal year 2014. The increase was primarily due to an increase in royalty-related costs due to *FIFA Ultimate Team*, *Madden Ultimate Team*, and *Titanfall*.

Total Cost of Revenue as a Percentage of Total Net Revenue

During the fiscal year ended March 31, 2015, total cost of revenue as a percentage of total net revenue decreased by 6.0 percent as compared to the fiscal year ended March 31, 2014. Excluding the loss of $122 million on previously unrecognized license intellectual property recognized during three months ended June 30, 2014, total cost of revenue as a percentage of total net revenue decreased 8.8 percent as a result of an increase in our digital products and services that generally have a lower cost than our packaged goods and other products.

Research and Development

Research and development expenses consist of expenses incurred by our production studios for personnel-related costs, related overhead costs, contracted services, depreciation and any impairment of prepaid royalties for pre-launch products. Research and development expenses for our online products include expenses incurred by our studios consisting of direct development and related overhead costs in connection with the development and production of our online games. Research and development expenses also include expenses associated with our digital platform, software licenses and maintenance, and management overhead.

Research and development expenses for fiscal years 2015 and 2014 were as follows (in millions):

March 31, 2015	% of Net Revenue	March 31, 2014	% of Net Revenue	$ Change	% Change
$1,094	24%	$1,125	31%	$(31)	(3)%

Research and development expenses decreased by $31 million, or 3 percent, in fiscal year 2015, as compared to fiscal year 2014. Excluding the $20 million positive impact of foreign currency exchange rates due to translation and related cash flow hedging activities, we estimate that research and development would have decreased by $11 million. This $11 million decrease was primarily due to a $15 million decrease in personnel-related costs resulting from a reduction in headcount and a $17 million decrease in contracted services as a result of higher development contracted services in fiscal year 2014 due to *Titanfall*, *Battlefield 4*, and *EA Sports UFC* as compared to the current fiscal year. These decreases were partially offset by a $21 million increase in facility-related costs primarily due to $6 million in operating costs for new office expansions and $5 million in certain facility closures.

Marketing and Sales

Marketing and sales expenses consist of personnel-related costs, related overhead costs, advertising, marketing and promotional expenses, net of qualified advertising cost reimbursements from third parties.

Marketing and sales expenses for fiscal years 2015 and 2014 were as follows (in millions):

March 31, 2015	% of Net Revenue	March 31, 2014	% of Net Revenue	$ Change	% Change
$647	14%	$680	19%	$(33)	(5)%

Marketing and sales expenses decreased by $33 million, or 5 percent, in fiscal year 2015, as compared to fiscal year 2014. The decrease was primarily due to (1) a $9 million decrease in personnel-related costs, (2) a $10 million decrease in facility-related costs, and (3) a $9 million decrease in contracted services due to fewer frontline title releases during fiscal year 2015 than during fiscal year 2014.

General and Administrative

General and administrative expenses consist of personnel and related expenses of executive and administrative staff, corporate functions such as finance, legal, human resources, and information technology ("IT"), related overhead costs, fees for professional services such as legal and accounting, and allowances for doubtful accounts.

General and administrative expenses for fiscal years 2015 and 2014 were as follows (in millions):

March 31, 2015	% of Net Revenue	March 31, 2014	% of Net Revenue	$ Change	% Change
$386	9%	$410	11%	$(24)	(6)%

General and administrative expenses decreased by $24 million, or 6 percent, in fiscal year 2015, as compared to fiscal year 2014, primarily due to a $30 million expense related to the settlement of a litigation matter during the fiscal year ended March 31, 2014 and an $23 million decrease in costs incurred on a license, both related to our college football franchise. This was partially offset by an $11 million increase primarily related to other litigation matters and a $16 million increase in personnel-related costs during the fiscal year ended March 31, 2015.

Acquisition-Related Contingent Consideration

Acquisition-related contingent consideration for fiscal years 2015 and 2014 were as follows (in millions):

March 31, 2015	% of Net Revenue	March 31, 2014	% of Net Revenue	$ Change	% Change
(3)	—%	(35)	(1)%	$32	91%

During fiscal year 2015, acquisition-related contingent consideration credits decreased by $32 million, or 91 percent, as compared to fiscal year 2014, primarily resulting from changes in the fair market value of the acquisition-related contingent consideration of our PopCap acquisition during fiscal year 2014. The PopCap earn-out expired on December 31, 2013. No payments were made under this earn-out.

Income Taxes

Provision for (benefit from) income taxes for fiscal years 2015 and 2014 was as follows (in millions):

March 31, 2015	Effective Tax Rate	March 31, 2014	Effective Tax Rate
$50	5.4%	$(1)	(14.3)%

Our effective tax rate for fiscal year 2015 was a tax expense of 5.4 percent. The fiscal year 2015 effective tax rate differs from the statutory rate of 35.0 percent primarily due to the utilization of U.S. deferred tax assets, which were subject to a valuation allowance, excess tax benefits from stock-based compensation deductions allocated directly to contributed capital, and non-U.S. profits subject to a reduced or zero tax rates. The provision for income taxes for fiscal year 2015 differs from the benefit from income taxes for fiscal year 2014 primarily due to benefits related to the expiration of statutes of limitations and the resolution of examinations by taxing authorities recorded in fiscal year 2014.

Our effective tax rate for the fiscal year 2014 differs from the statutory rate of 35.0 percent as a result of the utilization of U.S. deferred tax assets subject to a valuation allowance and tax benefits related to the expiration of statutes of limitations and the resolution of examinations by taxing authorities.

Our effective income tax rates for fiscal year 2016 and future periods will depend on a variety of factors, including changes in the deferred tax valuation allowance, changes in our business such as acquisitions and intercompany transactions, changes in our international structure, changes in the geographic location of business functions or assets, changes in the geographic mix of income, changes in or termination of our agreements with tax authorities, applicable accounting rules, applicable tax laws and regulations, rulings and interpretations thereof, developments in tax audit and other matters, and variations in our annual pre-tax income or loss. We incur certain tax expenses that do not decline proportionately with declines in our pre-tax consolidated income or loss. As a result, in absolute dollar terms, our tax expense will have a greater influence on our effective tax rate at lower levels of pre-tax income or loss than at higher levels. In addition, at lower levels of pre-tax income or loss, our effective tax rate will be more volatile.

Certain taxable temporary differences that are not expected to reverse during the carry forward periods permitted by tax law have not been considered as a source of future taxable income that is available to realize the benefit of deferred tax assets.

Historically, we have considered undistributed earnings of our foreign subsidiaries to be indefinitely reinvested outside of the United States and, accordingly, no U.S. taxes have been provided thereon. We currently intend to continue to indefinitely reinvest the undistributed earnings of our foreign subsidiaries outside of the United States.

Comparison of Fiscal Year 2014 to Fiscal Year 2013

Net Revenue

For fiscal year 2014, Net Revenue was $3,575 million and decreased $222 million, or 6 percent, as compared to fiscal year 2013. This decrease was driven by a $745 million decrease in revenue primarily from the Mass Effect, Madden NFL, Medal of Honor, The Sims, and FIFA Street franchises. This decrease was partially offset by a $523 million increase in revenue primarily from the Battlefield, SimCity, Crysis franchises, and *The Simpsons: Tapped Out.*

Net Revenue by Product Revenue and Service and Other Revenue

Our net revenue by product revenue and service and other revenue for fiscal years 2014 and 2013 was as follows (in millions):

	Year Ended March 31,			
	2014	2013	$ Change	% Change
Net revenue:				
Product	$2,134	$2,738	$(604)	(22)%
Service and other	$1,441	$1,059	$ 382	36%
Total net revenue	$3,575	$3,797	$(222)	(6)%

Product Revenue

For fiscal year 2014, product revenue was $2,134 million, primarily driven by *FIFA 14*, *Battlefield 4*, and *FIFA 13*. Product revenue decreased $604 million, or 22 percent, as compared to fiscal year 2013. This decrease was driven by an $842 million decrease primarily from the Mass Effect, Madden NFL, FIFA, Medal of Honor, and FIFA Street franchises. This decrease was partially offset by a $238 million increase primarily from the Battlefield, Dead Space, and Crysis franchises.

Service and Other Revenue

For fiscal year 2014, service and other revenue was $1,441 million, primarily driven by *FIFA Ultimate Team, Star Wars: The Old Republic,* and *SimCity*. Service and other revenue for fiscal year 2014 increased $382 million, or 36 percent, as compared to fiscal year 2013. This increase was driven by a $468 million increase primarily from the FIFA and SimCity franchises, and *The Simpsons: Tapped Out*. This increase was partially offset by an $86 million decrease primarily from lower revenue from *The Sims Social*, which shut down in June 2013, *Star Wars: The Old Republic,* as well as Pogo-branded online game services.

Supplemental Non-GAAP Net Revenue by Revenue Composition

Our non-GAAP net revenue by revenue composition and the reconciliation to net revenue for fiscal years 2014 and 2013 was as follows (in millions):

	Year Ended March 31,			
	2014	2013	$ Change	% Change
Packaged goods and other	$ 2,228	$ 2,130	$ 98	5%
Full-game downloads	323	221	102	46%
Extra content	760	654	106	16%
Subscriptions, advertising, and other	258	425	(167)	(39)%
Mobile	452	363	89	25%
Total Digital	1,793	1,663	130	8%
Net Revenue before Revenue Deferral (Non-GAAP Net Revenue)	$ 4,021	$ 3,793	$ 228	6%
Revenue Deferral	(3,350)	(3,022)	(328)	(11)%
Recognition of Revenue Deferral	2,904	3,026	(122)	(4)%
Change in deferred net revenue (online-enabled games)	(446)	4	(450)	(11,250)%
Total net revenue	$ 3,575	$ 3,797	$(222)	(6)%

Net Revenue before Revenue Deferral

Packaged goods and other Revenue

For fiscal year 2014, packaged goods and other Net Revenue before Revenue Deferral was $2,228 million, primarily driven by *FIFA 14*, *Battlefield 4, and Madden NFL 25*. Packaged goods and other Net Revenue before Revenue Deferral for fiscal year 2014 increased $98 million, or 5 percent, as compared to fiscal year 2013. This increase was driven by a $653 million increase in sales primarily from the Battlefield and FIFA franchises, and *Titanfall.* This increase was partially offset by a $555 million decrease in sales primarily from the Medal of Honor, The Sims, Crysis, and Dead Space franchises and decrease in sales from *The Secret World* and our Switzerland distribution business.

Digital Revenue

For fiscal year 2014, digital Net Revenue before Revenue Deferral was $1,793 million, an increase of $130 million, or 8%, as compared to fiscal year 2013. This increase is due to (1) a $297 million or 24 percent increase in full-game download, extra content and free-to-download sales primarily driven by *FIFA 14*, *Battlefield 4*, and *FIFA Online 3.* These increases were partially offset by a $167 million or 39 percent decrease in subscription sales primarily driven by *Battlefield 3 Premium* subscription, *Star Wars: The Old Republic* and *FIFA 13*. In fiscal year 2013, *Star Wars: The Old Republic* was a subscription-only based MMO. In fiscal year 2014, some of the revenue from this title was recognized in the free-to-download category as we expanded this title to be both a subscription and free-to-download game.

Revenue Deferral

Revenue Deferral for fiscal year 2014 increased $328 million, or 11 percent, as compared to fiscal year 2013. Substantially all of this increase was due to a $251 million increase in Net Revenue before Revenue Deferral related to our packaged goods and other and digital sales during fiscal year 2014 as compared to fiscal year 2013, and a slightly higher percentage of both our packaged goods and other and digital sales being deferred and recognized over time.

Recognition of Revenue Deferral

The Recognition of Revenue Deferral for fiscal year 2014 decreased $122 million, or 4 percent, as compared to fiscal year 2013, primarily due to the increase in our estimated offering period, which commenced during the second quarter of fiscal 2014 for physical games sold through retail from six to nine months.

Cost of Revenue

Cost of revenue for fiscal years 2014 and 2013 was as follows (in millions):

	March 31, 2014	% of Related Net Revenue	March 31, 2013	% of Related Net Revenue	% Change	Change as a % of Related Net Revenue
Cost of revenue:						
Product	$1,032	48.4%	$1,085	39.6%	(4.9)%	8.8%
Service and other	315	21.9%	303	28.6%	4.0%	(6.7)%
Total cost of revenue	$1,347	37.7%	$1,388	36.6%	(3.0)%	1.1%

Cost of Product Revenue

Cost of product revenue decreased by $53 million, or 4.9 percent in fiscal year 2014, as compared to fiscal year 2013. The decrease was primarily due to intangible impairment charges incurred in fiscal year 2013 compared to an immaterial amount of such charges incurred during fiscal year 2014, and a decrease in royalty costs due to fewer royalty-bearing products released during fiscal year 2014, as compared to fiscal year 2013.

Cost of Service and Other Revenue

Cost of service and other revenue increased by $12 million, or 4.0 percent in fiscal year 2014, as compared to fiscal year 2013. The increase was primarily due to an increase in product costs due to the release of *Titanfall* and an increase in royalty costs due to more royalty-bearing services released during fiscal year 2014, as compared to fiscal year 2013.

Total Cost of Revenue as a Percentage of Total Net Revenue

Total cost of revenue as a percentage of total net revenue remained relatively consistent during fiscal year 2014 as compared to fiscal year 2013.

Research and Development

Research and development expenses for fiscal years 2014 and 2013 were as follows (in millions):

March 31, 2014	% of Net Revenue	March 31, 2013	% of Net Revenue	$ Change	% Change
$1,125	31%	$1,153	30%	$(28)	(2)%

Research and development expenses decreased by $28 million, or 2 percent, in fiscal year 2014, as compared to fiscal year 2013. This decrease was primarily due to a $49 million decrease in contracted services as a result of fewer titles released this fiscal year as compared to the prior fiscal year. This was partially offset by a $25 million increase in facility-related costs related to higher rent and depreciation expenses.

Marketing and Sales

Marketing and sales expenses for fiscal years 2014 and 2013 were as follows (in millions):

March 31, 2014	% of Net Revenue	March 31, 2013	% of Net Revenue	$ Change	% Change
$680	19%	$788	21%	$(108)	(14)%

Marketing and sales expenses decreased by $108 million, or 14 percent, in fiscal year 2014, as compared to fiscal year 2013. The decrease was primarily due to (1) a $54 million decrease in personnel-related costs resulting from a decrease in headcount, (2) a $29 million decrease in advertising and promotional spending on our franchises as compared to the prior year, and (3) a $24 million decrease in contracted services.

General and Administrative

General and administrative expenses for fiscal years 2014 and 2013 were as follows (in millions):

March 31, 2014	% of Net Revenue	March 31, 2013	% of Net Revenue	$ Change	% Change
$410	11%	$354	9%	$56	16%

General and administrative expenses increased by $56 million, or 16 percent, in fiscal year 2014, as compared to fiscal year 2013. The increase was primarily due to (1) a $30 million accrual related to the anticipated settlement of a litigation matter related to our college football franchise, (2) an $18 million loss on a license related to our college football franchise, and (3) a $13 million increase in incentive-based compensation expense. This was partially offset by a $7 million decrease in facility-related costs.

Acquisition-Related Contingent Consideration

Acquisition-related contingent consideration for fiscal years 2014 and 2013 were as follows (in millions):

March 31, 2014	% of Net Revenue	March 31, 2013	% of Net Revenue	$ Change	% Change
$(35)	(1)%	$(64)	(2)%	$29	45%

During fiscal year 2014, acquisition-related contingent consideration credits decreased by $29 million, or 45 percent, as compared to fiscal year 2013, primarily resulting from changes in our earn-out estimates related to our PopCap acquisition. The PopCap earn-out expired on December 31, 2013. No payments were made under this earn-out.

Amortization of Intangibles

Amortization of intangibles for fiscal years 2014 and 2013 were as follows (in millions):

March 31, 2014	% of Net Revenue	March 31, 2013	% of Net Revenue	$ Change	% Change
$16	—%	$30	1%	$(14)	(47)%

Amortization of intangibles decreased by $14 million, or 47 percent, in fiscal year 2014, as compared to fiscal year 2013, primarily due to certain intangible assets from our acquisitions being fully amortized and impairment charges incurred during fiscal year 2013.

Restructuring and Other Charges

Restructuring and other charges for fiscal years 2014 and 2013 were as follows (in millions):

March 31, 2014	% of Net Revenue	March 31, 2013	% of Net Revenue	$ Change	% Change
$(1)	—%	$27	1%	$(28)	(104)%

Restructuring and other charges decreased as compared to fiscal year 2013, as there were no new restructuring initiatives in fiscal year 2014.

Interest and Other Income (Expense), Net

Interest and other income (expense), net, for fiscal years 2014 and 2013 were as follows (in millions):

March 31, 2014	% of Net Revenue	March 31, 2013	% of Net Revenue	$ Change	% Change
$(26)	(1)%	$(21)	(1)%	$(5)	(24)%

Interest and other income (expense), net, remained relatively consistent, as compared to fiscal year 2013.

Income Taxes

Provision for (benefit from) income taxes for fiscal years 2014 and 2013 was as follows (in millions):

March 31, 2014	Effective Tax Rate	March 31, 2013	Effective Tax Rate
$(1)	(14.3)%	$41	29.5%

Our effective tax rate for the fiscal year 2014 was a tax benefit of 14.3%. The fiscal year 2014 effective tax rate differs from the statutory rate of 35.0 percent as a result of the utilization of U.S. deferred tax assets subject to a valuation allowance and tax benefits related to the expiration of statutes of limitations and the resolution of examinations by taxing authorities.

Our effective tax rate for the fiscal year 2013 differs from the statutory rate of 35.0 percent primarily due to the U.S. losses for which no benefit is recognized and non-deductible stock-based compensation, offset by non-U.S. profits subject to reduced or zero tax rates and the nontaxable change in the estimated fair value of acquisition-related contingent consideration.

Certain taxable temporary differences that are not expected to reverse during the carry forward periods permitted by tax law have not been considered as a source of future taxable income that is available to realize the benefit of deferred tax assets.

The American Taxpayer Relief Act of 2012 (the "Act") was signed into law on January 2, 2013. The Act contains a number of provisions including, most notably, an extension of the research tax credit through December 31, 2013. The Act did not have a material impact on our effective tax rate for fiscal 2013 due to the effect of the valuation allowance on our deferred tax assets.

Historically, we have considered undistributed earnings of our foreign subsidiaries to be indefinitely reinvested outside of the United States and, accordingly, no U.S. taxes have been provided thereon. In connection with a review of our cash position including potential future cash needs for stock repurchases and debt retirement, we made a one-time repatriation of $700 million from certain of our wholly-owned subsidiaries during the three months ended March 31, 2014. This repatriation did not have a material impact on our effective tax rate for fiscal 2014 due to the deferred tax valuation allowance.

LIQUIDITY AND CAPITAL RESOURCES

(In millions)	As of March 31, 2015	2014	Increase
Cash and cash equivalents	$2,068	$1,782	$ 286
Short-term investments	953	583	370
Total	$3,021	$2,365	$ 656
Percentage of total assets	49%	41%	

(In millions)	Year Ended March 31, 2015	2014	Change
Cash provided by operating activities	$1,067	$ 712	$ 355
Cash used in investing activities	(470)	(301)	(169)
Cash provided by (used in) financing activities	(255)	89	(344)
Effect of foreign exchange on cash and cash equivalents	(56)	(10)	(46)
Net increase in cash and cash equivalents	$ 286	$ 490	$(204)

Changes in Cash Flow

Operating Activities. Cash provided by operating activities increased $355 million during fiscal year 2015 as compared to fiscal year 2014. The change is primarily due to a $298 million increase in Net Revenue before Revenue Deferral and an $88 million decrease in research and development, marketing and sales, and general and administrative expenses during the fiscal year ended March 31, 2015 as compared to the fiscal year ended March 31, 2014.

Investing Activities. Cash used in investing activities increased $169 million during fiscal year 2015 as compared to fiscal year 2014 primarily driven by a $502 million increase in purchases of short-term investments. This was partially offset by a $326 million increase in proceeds from the sales and maturities of short-term investments during the fiscal year ended March 31, 2015 as compared to the fiscal year ended March 31, 2014.

Financing Activities. Cash used in financing activities increased $344 million during fiscal year 2015 as compared to fiscal year 2014 primarily due to $337 million used to repurchase and retire common stock during the fiscal year ended March 31, 2015 as compared to no stock repurchases during the fiscal year ended March 31, 2014.

Short-term Investments

Due to our mix of fixed and variable rate securities, our short-term investment portfolio is susceptible to changes in short-term interest rates. As of March 31, 2015, our short-term investments had gross unrealized gains of $1 million, or less than 1 percent of the total in short-term investments, and gross unrealized losses of less than $1 million, or less than 1 percent of the total in short-term investments. From time to time, we may liquidate some or all of our short-term investments to fund operational needs or other activities, such as capital expenditures, business acquisitions or stock repurchase programs. Depending on which short-term investments we liquidate to fund these activities, we could recognize a portion, or all, of the gross unrealized gains or losses.

Fiscal 2011 Restructuring

In connection with our fiscal 2011 restructuring plan, we expect to incur cash expenditures of approximately $11 million through December 2015.

Financing Arrangement

In July 2011, we issued $632.5 million aggregate principal amount of 0.75% Convertible Senior Notes due 2016 (the "Notes"). We used the net proceeds of the Notes to finance the cash consideration of our acquisition of PopCap, which closed in August 2011. The Notes will mature on July 15, 2016, unless purchased earlier or converted in accordance with their terms prior to such date.

During the fiscal quarter ended March 31, 2015, the market value of our common stock exceeded the conversion trigger price of $41.26 per share for at least 20 trading days of the 30 consecutive trading days preceding quarter end. As a result, the Notes are convertible at the option of the holder through July 4, 2015. See Note 12 — Financing Arrangements to the Consolidated Financial Statements as it relates to the Notes, the convertibility of the Notes, and the Convertible Note Hedge and Warrants, which is incorporated by reference into this Item 7.

Credit Facility

On March 19, 2015, we entered into a new $500 million senior unsecured revolving credit facility with a syndicate of banks. As of March 31, 2015, no amounts were outstanding under the credit facility. See Note 12 — Financing Arrangements to the Consolidated Financial Statements in this Form 10-K as it relates to our credit facility, which is incorporated by reference into this Item 7.

Financial Condition

We believe that our cash, cash equivalents, short-term investments, cash generated from operations and available financing facilities will be sufficient to meet our operating requirements for at least the next 12 months, including working capital requirements, capital expenditures, and potentially, future acquisitions, stock repurchases, or strategic investments. We may choose at any time to raise additional capital to strengthen our financial position, facilitate expansion, repurchase our stock, pursue strategic acquisitions and investments, and/or to take advantage of business opportunities as they arise. There can be no assurance, however, that such additional capital will be available to us on favorable terms, if at all, or that it will not result in substantial dilution to our existing stockholders.

As of March 31, 2015, approximately $1,156 million of our cash, cash equivalents, and short-term investments were domiciled in foreign tax jurisdictions. While we have no plans to repatriate these funds to the United States in the short term, if we choose to do so, we may be required to accrue and pay additional taxes on any portion of the repatriation where no United States income tax had been previously provided.

In May 2014, a special committee of our Board of Directors, on behalf of the full Board of Directors, authorized a two-year program to repurchase up to $750 million of our common stock. We repurchased approximately 8 million shares under this program during the fiscal year ended March 31, 2015 for approximately $337 million.

In May 2015, our Board of Directors authorized a new program to repurchase up to $1 billion of our common stock. This new stock repurchase program, which expires on May 31, 2017, supersedes and replaces the stock repurchase authorization approved in May 2014. Under this program, we may purchase stock in the open market or through privately-negotiated transactions in accordance with applicable securities laws, including pursuant to pre-arranged stock trading plans. The timing and actual amount of the stock repurchases will depend on several factors including price, capital availability, regulatory requirements, alternative investment opportunities and other market conditions. We are not obligated to repurchase any specific number of shares under this program and it may be modified, suspended or discontinued at any time. We continue to actively repurchase shares.

We have a "shelf" registration statement on Form S-3 on file with the SEC. This shelf registration statement, which includes a base prospectus, allows us at any time to offer any combination of securities described in the prospectus in one or more offerings. Unless otherwise specified in a prospectus supplement accompanying the base prospectus, we would use the net proceeds from the sale of any securities offered pursuant to the shelf registration statement for general corporate purposes, including for working capital, financing capital expenditures, research and development, marketing and distribution efforts, and if opportunities arise, for acquisitions or strategic alliances. Pending such uses, we may invest the net proceeds in interest-bearing securities. In addition, we may conduct concurrent or other financings at any time.

Our ability to maintain sufficient liquidity could be affected by various risks and uncertainties including, but not limited to, those related to customer demand and acceptance of our products, our ability to collect our accounts receivable as they become due, successfully achieving our product release schedules and attaining our forecasted sales objectives, the impact of acquisitions and other strategic transactions in which we may engage, the impact of competition, economic conditions in the United States and abroad, the seasonal and cyclical nature of our business and operating results, risks of product returns and the other risks described in the "Risk Factors" section, included in Part I, Item 1A of this report.

Contractual Obligations and Commercial Commitments

Note 13 — Commitments and Contingencies to the Consolidated Financial Statements in this Form 10-K as it relates to our contractual obligations and commercial commitments is incorporated by reference into this Item 7.

OFF-BALANCE SHEET ARRANGEMENTS

As of March 31, 2015, we did not have any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K promulgated by the SEC, that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues and expenses, results of operations, liquidity, capital expenditures, or capital resources that is material to investors.

INFLATION

We believe the impact of inflation on our results of operations has not been significant in any of the past three fiscal years.

Item 7A: *Quantitative and Qualitative Disclosures About Market Risk*

MARKET RISK

We are exposed to various market risks, including changes in foreign currency exchange rates, interest rates and market prices, which have experienced significant volatility. Market risk is the potential loss arising from changes in market rates and market prices. We employ established policies and practices to manage these risks. Foreign currency forward contracts are used to hedge anticipated exposures or mitigate some existing exposures subject to foreign exchange risk as discussed below. While we do not hedge our short-term investment portfolio, we protect our short-term investment portfolio against different market risks, including interest rate risk as discussed below. Our cash and cash equivalents portfolio consists of highly liquid investments with insignificant interest rate risk and original or remaining maturities of three months or less at the time of purchase. We do not enter into derivatives or other financial instruments for speculative trading purposes and do not hedge our market price risk relating to marketable equity securities, if any.

Foreign Currency Exchange Rate Risk

Foreign Currency Exchange Rates. International sales are a fundamental part of our business, and the significant strengthening of the U.S. Dollar during the second half of fiscal year 2015 (particularly relative to the Euro, British pound sterling, Swedish krona and Canadian dollar) had a negative impact on our reported international net revenues, but a positive impact on our reported international operating expenses because these amounts were translated at lower rates in fiscal year 2015 than in fiscal year 2014. While we use foreign currency hedging contracts to mitigate some foreign currency exchange risk, these activities are limited in the protection that they provide us and can themselves result in losses. We currently anticipate foreign currency exchange rates to have a negative impact on our expected reported net revenue in fiscal year 2016 as compared to fiscal year 2015, but the strengthening of the U.S. dollar is expected to have a positive impact on our reported operating expenses as a significant portion of those expenses are incurred outside the United States.

Cash Flow Hedging Activities. From time to time, we hedge a portion of our foreign currency risk related to forecasted foreign-currency-denominated sales and expense transactions by purchasing foreign currency forward contracts that generally have maturities of 15 months or less. These transactions are designated and qualify as cash flow hedges. Our hedging programs are designed to reduce, but do not entirely eliminate, the impact of currency exchange rate movements in net revenue and research and development expenses.

Balance Sheet Hedging Activities. We use foreign currency forward contracts to mitigate foreign currency risk associated with foreign-currency-denominated monetary assets and liabilities, primarily intercompany receivables and payables. The foreign currency forward contracts generally have a contractual term of three months or less and are transacted near month-end.

We believe the counterparties to our foreign currency forward contracts are creditworthy multinational commercial banks. While we believe the risk of counterparty nonperformance is not material, a sustained decline in the financial stability of financial institutions as a result of disruption in the financial markets could affect our ability to secure creditworthy counterparties for our foreign currency hedging programs.

Notwithstanding our efforts to mitigate some foreign currency exchange rate risks, there can be no assurance that our hedging activities will adequately protect us against the risks associated with foreign currency fluctuations. As of March 31, 2015, a hypothetical adverse foreign currency exchange rate movement of 10 percent or 20 percent would have resulted in potential declines in the fair value on our foreign currency forward contracts used in cash flow hedging of $59 million and $118 million, respectively. As of March 31, 2015, a hypothetical adverse foreign currency exchange rate movement of 10 percent or 20 percent would have resulted in potential losses on our foreign currency forward contracts used in balance sheet hedging of $25 million and $50 million, respectively. This sensitivity analysis assumes an adverse shift of all foreign currency exchange rates; however, all foreign currency exchange rates do not always move in such manner and actual results may differ materially. See Note 4 — Derivative Financial Instruments to the Consolidated Financial Statements in this Form 10-K as it relates to our derivative financial instruments, which is incorporated by reference into this Item 7A.

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates primarily to our short-term investment portfolio. We manage our interest rate risk by maintaining an investment portfolio generally consisting of debt instruments of high credit quality and relatively short maturities. However, because short-term investments mature relatively quickly and are required to be reinvested at the then-current market rates, interest income on a portfolio consisting of short-term investments is more subject to market fluctuations than a portfolio of longer term investments. Additionally, the contractual terms of the investments do not permit the issuer to call, prepay or otherwise settle the investments at prices less than the stated par value. Our investments are held for purposes other than trading. Also, we do not use derivative financial instruments in our short-term investment portfolio.

As of March 31, 2015, our short-term investments were classified as available-for-sale securities and, consequently, were recorded at fair value with unrealized gains or losses resulting from changes in fair value reported as a separate component of accumulated other comprehensive income, net of tax, in stockholders' equity.

Notwithstanding our efforts to manage interest rate risks, there can be no assurance that we will be adequately protected against risks associated with interest rate fluctuations. At any time, a sharp change in interest rates could have a significant impact on the fair value of our investment portfolio. The following table presents the hypothetical changes in the fair value of our short-term investment portfolio as of March 31, 2015, arising from potential changes in interest rates. The modeling technique estimates the change in fair value from immediate hypothetical parallel shifts in the yield curve of plus or minus 50 basis points ("BPS"), 100 BPS, and 150 BPS.

	Valuation of Securities Given an Interest Rate Decrease of X Basis Points			Fair Value as of March 31, 2015	Valuation of Securities Given an Interest Rate Increase of X Basis Points		
(In millions)	(150 BPS)	(100 BPS)	(50 BPS)		50 BPS	100 BPS	150 BPS
Corporate bonds	$475	$473	$470	$467	$463	$462	$458
U.S. Treasury securities	219	218	216	214	213	211	210
U.S. agency securities	166	164	163	162	161	159	158
Commercial paper	110	110	110	110	110	109	109
Total short-term investments	$970	$965	$959	$953	$947	$941	$935

Item 8: *Financial Statements and Supplementary Data*

Index to Consolidated Financial Statements

Financial Statement Schedule:

The following financial statement schedule of Electronic Arts Inc. and Subsidiaries for the years ended March 31, 2015, 2014 and 2013 is filed as part of this report and should be read in conjunction with the Consolidated Financial Statements of Electronic Arts Inc. and Subsidiaries:

Other financial statement schedules have been omitted because the information called for in them is not required or has already been included in either the Consolidated Financial Statements or the Notes thereto.

ELECTRONIC ARTS INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In millions, except par value data)	March 31, 2015	March 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	$2,068	$1,782
Short-term investments	953	583
Receivables, net of allowances of $140 and $186, respectively	362	327
Inventories	36	56
Deferred income taxes, net	54	74
Other current assets	247	316
Total current assets	3,720	3,138
Property and equipment, net	459	510
Goodwill	1,713	1,723
Acquisition-related intangibles, net	111	177
Deferred income taxes, net	13	28
Other assets	131	140
TOTAL ASSETS	$6,147	$5,716
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 68	$ 119
Accrued and other current liabilities	794	781
Deferred net revenue (online-enabled games)	1,283	1,490
0.75% convertible senior notes due 2016, net	602	—
Total current liabilities	2,747	2,390
0.75% convertible senior notes due 2016, net	—	580
Income tax obligations	70	189
Deferred income taxes, net	80	18
Other liabilities	183	117
Total liabilities	3,080	3,294
Commitments and contingencies (See Note 13)		
0.75% convertible senior notes due 2016 (See Note 12)	31	—
Stockholders' equity:		
Preferred stock, $0.01 par value. 10 shares authorized	—	—
Common stock, $0.01 par value. 1,000 shares authorized; 310 and 311 shares issued and outstanding, respectively	3	3
Additional paid-in capital	2,127	2,353
Retained earnings	904	29
Accumulated other comprehensive income	2	37
Total stockholders' equity	3,036	2,422
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$6,147	$5,716

See accompanying Notes to Consolidated Financial Statements.

ELECTRONIC ARTS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per share data)	Year Ended March 31, 2015	2014	2013
Net revenue:			
Product	$2,568	$2,134	$2,738
Service and other	1,947	1,441	1,059
Total net revenue	4,515	3,575	3,797
Cost of revenue:			
Product	1,028	1,032	1,085
Service and other	401	315	303
Total cost of revenue	1,429	1,347	1,388
Gross profit	3,086	2,228	2,409
Operating expenses:			
Research and development	1,094	1,125	1,153
Marketing and sales	647	680	788
General and administrative	386	410	354
Acquisition-related contingent consideration	(3)	(35)	(64)
Amortization of intangibles	14	16	30
Restructuring and other charges	—	(1)	27
Total operating expenses	2,138	2,195	2,288
Operating income	948	33	121
Gains on strategic investments, net	—	—	39
Interest and other income (expense), net	(23)	(26)	(21)
Income before provision for (benefit from) income taxes	925	7	139
Provision for (benefit from) income taxes	50	(1)	41
Net income	$ 875	$ 8	$ 98
Net income per share:			
Basic	$ 2.81	$ 0.03	$ 0.32
Diluted	$ 2.69	$ 0.03	$ 0.31
Number of shares used in computation:			
Basic	311	308	310
Diluted	325	316	313

See accompanying Notes to Consolidated Financial Statements.

ELECTRONIC ARTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In millions)	Year Ended March 31, 2015	2014	2013
Net income	$875	$ 8	$ 98
Other comprehensive income (loss), net of tax:			
Change in unrealized net gains and losses on available-for-sale securities	1	—	(46)
Reclassification adjustment for net realized gains on available-for-sale securities	—	—	(41)
Change in unrealized net gains and losses on derivative instruments	20	(19)	(2)
Reclassification adjustment for net realized gains and losses on derivative instruments	11	9	4
Foreign currency translation adjustments	(67)	(22)	(19)
Total other comprehensive loss, net of tax	(35)	(32)	(104)
Total comprehensive income (loss)	$840	$(24)	$ (6)

See accompanying Notes to Consolidated Financial Statements.

ELECTRONIC ARTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In millions, share data in thousands)

	Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount				
Balances as of March 31, 2012	320,223	$ 3	$2,359	$ (77)	$ 173	$2,458
Total comprehensive loss	—	—	—	98	(104)	(6)
Issuance of common stock	7,801	—	1	—	—	1
Repurchase and retirement of common stock	(25,860)	—	(349)	—	—	(349)
Stock-based compensation	—	—	164	—	—	164
Tax costs from stock-based compensation	—	—	(1)	—	—	(1)
Balances as of March 31, 2013	302,164	3	2,174	21	69	2,267
Total comprehensive loss	—	—	—	8	(32)	(24)
Issuance of common stock	9,278	—	16	—	—	16
Stock-based compensation	—	—	150	—	—	150
Tax benefit from stock-based compensation	—	—	13	—	—	13
Balances as of March 31, 2014	311,442	3	2,353	29	37	2,422
Total comprehensive income	—	—	—	875	(35)	840
Issuance of common stock	6,508	—	(24)	—	—	(24)
Reclassification of equity component of convertible debt to temporary equity	—	—	(31)	—	—	(31)
Repurchase and retirement of common stock	(8,269)	—	(337)	—	—	(337)
Stock-based compensation	—	—	144	—	—	144
Tax benefit from stock-based compensation	—	—	22	—	—	22
Balances as of March 31, 2015	309,681	$ 3	$2,127	$904	$ 2	$3,036

See accompanying Notes to Consolidated Financial Statements.

ELECTRONIC ARTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)	Year Ended March 31, 2015	2014	2013
OPERATING ACTIVITIES			
Net income	$ 875	$ 8	$ 98
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, amortization and accretion	220	227	264
Stock-based compensation	144	150	164
Acquisition-related contingent consideration	(3)	(35)	(64)
Net losses (gains) on investments	—	2	(37)
Non-cash restructuring charges	—	—	7
Change in assets and liabilities:			
Receivables, net	(54)	(12)	56
Inventories	19	(13)	16
Other assets	87	(56)	15
Accounts payable	(46)	(18)	(78)
Accrued and other liabilities	31	(3)	(106)
Deferred income taxes, net	1	16	(7)
Deferred net revenue (online-enabled games)	(207)	446	(4)
Net cash provided by operating activities	1,067	712	324
INVESTING ACTIVITIES			
Capital expenditures	(95)	(97)	(106)
Proceeds from sale of marketable equity securities	—	—	72
Proceeds from maturities and sales of short-term investments	727	401	459
Purchase of short-term investments	(1,102)	(600)	(414)
Acquisition-related restricted cash	—	—	31
Acquisition of subsidiaries, net of cash acquired	—	(5)	(10)
Net cash provided by (used in) investing activities	(470)	(301)	32
FINANCING ACTIVITIES			
Proceeds from issuance of common stock	60	77	34
Payment of debt issuance costs	—	—	(2)
Excess tax benefit from stock-based compensation	22	13	—
Repurchase and retirement of common stock	(337)	—	(349)
Acquisition-related contingent consideration payment	—	(1)	(28)
Net cash provided by (used in) financing activities	(255)	89	(345)
Effect of foreign exchange on cash and cash equivalents	(56)	(10)	(12)
Increase (decrease) in cash and cash equivalents	286	490	(1)
Beginning cash and cash equivalents	1,782	1,292	1,293
Ending cash and cash equivalents	$ 2,068	$1,782	$1,292
Supplemental cash flow information:			
Cash paid during the year for income taxes, net	$ 2	$ 29	$ 26
Cash paid during the year for interest	$ 6	$ 6	$ 5
Non-cash investing activities:			
Change in unrealized net gains and losses on available-for-sale securities	$ 1	$ —	$ (46)

See accompanying Notes to Consolidated Financial Statements.

ELECTRONIC ARTS INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

We develop, market, publish and distribute game software content and services that can be played by consumers on a variety of platforms, including video game consoles (such as the PlayStation 3 and 4 from Sony, and the Xbox 360 and Xbox One from Microsoft), PCs, mobile phones and tablets. We deliver our games and services to our players across multiple platforms, through multiple distribution channels, and directly (online and wirelessly). Some of our games are based on our wholly-owned intellectual property (*e.g.*, Battlefield, Mass Effect, Need for Speed, Dragon Age, The Sims, SimCity, Bejeweled, and Plants vs. Zombies), and some of our games leverage content that we license from others (*e.g.*, FIFA, Madden NFL and Star Wars). We also publish and distribute games developed by third parties (*e.g.*, *Titanfall*). Our goal is to develop our intellectual properties into year-round businesses available on a range of platforms. Our products and services may be purchased through physical and online retailers, platform providers such as console manufacturers, providers of free-to-download PC games played on the Internet, mobile carriers via streaming and digital downloads, and directly through Origin, our own digital distribution platform.

A summary of our significant accounting policies applied in the preparation of our Consolidated Financial Statements follows:

Consolidation

The accompanying Consolidated Financial Statements include the accounts of Electronic Arts Inc. and its wholly-owned subsidiaries. Intercompany balances and transactions have been eliminated in consolidation.

Fiscal Year

Our fiscal year is reported on a 52- or 53-week period that ends on the Saturday nearest March 31. Our results of operations for the fiscal years ended March 31, 2015, 2014 and 2013 each contained 52 weeks and ended on March 28, 2015, March 29, 2014, and March 30, 2013, respectively. For simplicity of disclosure, all fiscal periods are referred to as ending on a calendar month-end.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States (“U.S. GAAP”) requires us to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and the accompanying notes. Such estimates include sales returns and allowances, provisions for doubtful accounts, accrued liabilities, offering periods for deferred net revenue, multiple-element arrangements, income taxes, losses on royalty commitments, estimates regarding the recoverability of prepaid royalties, inventories, long-lived assets, assets acquired and liabilities assumed in business combinations, certain estimates related to the measurement and recognition of costs resulting from our stock-based payment awards, deferred income tax assets and associated valuation allowances, as well as estimates used in our goodwill, intangibles and short-term investment impairment tests. These estimates generally involve complex issues and require us to make judgments, involve analysis of historical and future trends, can require extended periods of time to resolve, and are subject to change from period to period. In all cases, actual results could differ materially from our estimates.

Cash, Cash Equivalents, and Short-Term Investments

Cash equivalents consist of highly liquid investments with insignificant interest rate risk and original or remaining maturities of three months or less at the time of purchase.

Short-term investments consist of securities with original or remaining maturities of greater than three months at the time of purchase, are accounted for as available-for-sale securities and are recorded at fair value. Cash, cash equivalents and short-term investments are available for use in current operations or other activities such as capital expenditures, business combinations and share repurchases.

Unrealized gains and losses on our short-term investments are recorded as a component of accumulated other comprehensive income in stockholders' equity, net of tax, until either (1) the security is sold, (2) the security has matured, or (3) we determine that the fair value of the security has declined below its adjusted cost basis and the decline is other-than-temporary. Realized gains and losses on our short-term investments are calculated based on the specific identification method and are reclassified from accumulated other comprehensive income to interest and other income (expense), net, or gains on strategic investments, net. Determining whether a decline in fair value is other-than-temporary requires management judgment based on the specific facts and circumstances of each security. The ultimate value realized on these securities is subject to market price volatility until they are sold.

Our short-term investments are evaluated for impairment quarterly. We consider various factors in determining whether we should recognize an impairment charge, including the credit quality of the issuer, the duration that the fair value has been less than the adjusted cost basis, severity of the impairment, reason for the decline in value and potential recovery period, the financial condition and near-term prospects of the investees, our intent to sell and ability to hold the investment for a period of time sufficient to allow for any anticipated recovery in market value, and any contractual terms impacting the prepayment or settlement process. If we conclude that an investment is other-than-temporarily impaired, we recognize an impairment charge at that time in our Consolidated Statements of Operations.

Inventories

Inventories consist of materials (including manufacturing royalties paid to console manufacturers), labor and freight-in and are stated at the lower of cost (using the weighted average costing method) or market value. We regularly review inventory quantities on-hand. We write down inventory based on excess or obsolete inventories determined primarily by future anticipated demand for our products. Inventory write-downs are measured as the difference between the cost of the inventory and market value, based upon assumptions about future demand that are inherently difficult to assess. At the point of a loss recognition, a new, lower cost basis for that inventory is established, and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established basis.

Property and Equipment, Net

Property and equipment, net, are stated at cost. Depreciation is calculated using the straight-line method over the following useful lives:

Buildings	20 to 25 years
Computer, equipment and software	3 to 6 years
Office equipment, furniture and fixtures	3 to 5 years
Warehouse, equipment and other	5 years
Leasehold improvements	Lesser of the lease term or the estimated useful lives of the improvements, generally 1 to 10 years

We capitalize costs associated with internal-use software development once a project has reached the application development stage. Such capitalized costs include external direct costs utilized in developing or obtaining the software, and payroll and payroll-related expenses for employees who are directly associated with the development of the software. Capitalization of such costs begins when the preliminary project stage is complete and ceases at the point in which the project is substantially complete and is ready for its intended purpose. The net book value of capitalized costs associated with internal-use software was $62 million and $74 million as of March 31, 2015 and 2014, respectively. Once the internal-use software is ready for its intended use, the assets are depreciated on a straight-line basis over each asset's estimated useful life, which is generally three years.

Acquisition-Related Intangibles and Other Long-Lived Assets

We record acquisition-related intangible assets, such as developed and core technology, in connection with business combinations. We amortize the cost of acquisition-related intangible assets that have finite useful lives on a straight-line basis over the lesser of their estimated useful lives or the agreement terms, typically from two to fourteen years. We evaluate acquisition-related intangibles and other long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset group. This includes assumptions about future prospects for the business that the asset relates to and typically involves computations of the estimated future cash flows to be generated by these businesses. Based on these judgments and assumptions, we determine whether we need to take an impairment charge to reduce the value of the asset stated on our Consolidated Balance Sheets to reflect its estimated fair value. When we consider such assets to be impaired, the amount of impairment we recognize is measured by the amount by which the carrying amount of the asset exceeds its fair value. There were no material impairments in fiscal years 2015 and 2014. We recognized $39 million in impairment charges in fiscal year 2013. The charges for fiscal year 2013 consist of $34 million and $5 million that were recognized in cost of revenue and amortization of intangibles, respectively, on our Consolidated Statement of Operations.

Goodwill

In assessing impairment on our goodwill, we first analyze qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test. The qualitative factors we assess include long-term prospects of our performance, share price trends and market capitalization, and Company specific events. If we conclude it is more likely than not that the fair value of a reporting unit exceeds its carrying amount, we do not need to perform the two-step impairment test. If based on that assessment, we believe it is more likely than not that the fair value of the reporting unit is less than its carrying value, a two-step goodwill impairment test will be performed. The first step measures for impairment by applying fair value-based tests at the reporting unit level. The second step (if necessary) measures the amount of impairment by applying fair value-based tests to the individual assets and liabilities within each reporting unit. Reporting units are determined by the components of operating segments that constitute a business for which (1) discrete financial information is available, (2) segment management regularly reviews the operating results of that component, and (3) whether the component has dissimilar economic characteristics to other components. We determined that it was more likely than not that the fair value of our reporting unit exceeded its carrying amount and, as such, we did not need to perform the two-step impairment test.

During the fiscal years ended March 31, 2015, 2014 and 2013, we completed our annual goodwill impairment testing in the fourth quarter of each year and did not recognize any impairment charges.

Revenue Recognition, Sales Returns and Allowances, and Bad Debt Reserves

We derive revenue principally from sales of interactive software games, and related content (*e.g.,* micro-transactions) and services on (1) video game consoles (such as the PlayStation 3 and 4 from Sony, and the Xbox 360 and Xbox One from Microsoft) and PCs, and (2) mobile phones and tablets. We evaluate revenue recognition based on the criteria set forth in FASB Accounting Standards Codification ("ASC") 605, *Revenue Recognition* and ASC 985-605, *Software: Revenue Recognition*. We classify our revenue as either product revenue or service and other revenue.

Product revenue. Our product revenue includes revenue associated with the sale of software games or related content, whether delivered via a physical disc (*e.g*., packaged goods) or delivered digitally via the Internet (*e.g.,* full-game downloads, extra-content), and licensing of game software to third-parties. Product revenue also includes revenue from mobile full-game downloads that do not require our hosting support (*e.g.*, premium mobile games), and sales of tangible products such as hardware, peripherals, or collectors' items.

Service and other revenue. Our service revenue includes revenue recognized from time-based subscriptions and games or related content that requires our hosting support in order to utilize the game or related content (*i.e.*, can only be played with an Internet connection). This includes (1) entitlements to content that are accessed through hosting services (*e.g.,* micro-transactions for Internet-based, social network and free-to-download mobile games), (2) massively multi-player online ("MMO") games (both software game and subscription sales), (3) subscriptions for our Battlefield Premium, EA Access and Pogo-branded online game services, and (4) allocated service revenue from sales of software games with an online service element (*i.e.,* "matchmaking" service). Our other revenue includes advertising and non-software licensing revenue.

With respect to the allocated service revenue from sales of software games with a matchmaking service mentioned above, our allocation of proceeds between product and service revenue for presentation purposes is based on management's best estimate of the selling price of the matchmaking service with the residual value allocated to product revenue. Our estimate of the selling price of the matchmaking service is comprised of several factors including, but not limited to, prior selling prices for the matchmaking service, prices charged separately by other third-party vendors for similar service offerings, and a cost-plus-margin approach. We review the estimated selling price of the online matchmaking service on a regular basis and use this methodology consistently to allocate revenue between product and service for software game sales with a matchmaking service.

We evaluate and recognize revenue when all four of the following criteria are met:

- *Evidence of an arrangement*. Evidence of an agreement with the customer that reflects the terms and conditions to deliver the related products or services must be present.
- *Fixed or determinable fee*. If a portion of the arrangement fee is not fixed or determinable, we recognize revenue as the amount becomes fixed or determinable.
- *Collection is deemed probable*. Collection is deemed probable if we expect the customer to be able to pay amounts under the arrangement as those amounts become due. If we determine that collection is not probable as the amounts become due, we generally conclude that collection becomes probable upon cash collection.
- *Delivery*. For packaged goods, delivery is considered to occur when a product is shipped and the risk of loss and rewards of ownership have transferred to the customer. For digital downloads, delivery is considered to occur when the software is made available to the customer for download. For services and other, delivery is generally considered to occur as the service is delivered, which is determined based on the underlying service obligation. If there is significant uncertainty of acceptance, revenue is recognized once acceptance is reasonably assured.

Online-Enabled Games

The majority of our software games and related content can be connected to the Internet whereby a consumer may be able to download unspecified content or updates on a when-and-if-available basis ("unspecified updates") for use with the original game software. In addition, we may also offer an online matchmaking service that permits consumers to play against each other via the Internet without a separate fee. U.S. GAAP requires us to account for the consumer's right to receive unspecified updates or the matchmaking service for no additional fee as a "bundled" sale, or multiple-element arrangement.

We have an established historical pattern of providing unspecified updates (e.g., player roster updates to *Madden NFL 15*) to online-enabled games and related content at no additional charge to the consumer. We do not have vendor-specific objective evidence of fair value ("VSOE") for these unspecified updates, and thus, as required by U.S. GAAP, we recognize revenue from the sale of these online-enabled games and related content over the period we expect to offer the unspecified updates to the consumer ("estimated offering period").

Change in Estimated Offering Period

Prior to July 1, 2013, for most sales, we estimated the offering period to be six months and recognized revenue over this period in the month after delivery. During the three months ended September 30, 2013, we completed our fiscal 2014 annual evaluation of the estimated offering period and noted that generally, consumers were playing our games online over a longer period of time. Based on this, we concluded that for physical software sales made after June 30, 2013, the estimated offering period should be increased to nine months, resulting in revenue being recognized over a longer period of time. This change in estimate resulted in an estimated decrease to net revenue and net income of $474 million and a decrease of $1.50 of diluted earnings per share for fiscal year 2014. During the fiscal year ended March 31, 2015, this change in estimate resulted in an estimated increase to net revenue and net income of $474 million and an increase of $1.46 of diluted earnings per share. The estimated offering period for digitally distributed games did not change and is six months. We completed our fiscal 2015 annual evaluation during the second quarter and determined that the estimated offering period for physical software sales and digital sales continues to be nine months and six months, respectively.

Other Multiple-Element Arrangements

In some of our multiple-element arrangements, we sell tangible products with software and/or software-related offerings. These tangible products are generally either peripherals or ancillary collectors' items, such as figurines and comic books. Revenue for these arrangements is allocated to each separate unit of accounting for each deliverable using the relative selling prices of each deliverable in the arrangement based on the selling price hierarchy described below. If the arrangement contains more than one software deliverable, the arrangement consideration is allocated to the software deliverables as a group and then allocated to each software deliverable in accordance with ASC 985-605.

We determine the selling price for a tangible product deliverable based on the following selling price hierarchy: VSOE (*i.e.*, the price we charge when the tangible product is sold separately) if available, third-party evidence ("TPE") of fair value (*i.e.*, the price charged by others for similar tangible products) if VSOE is not available, or our best estimate of selling price ("BESP") if neither VSOE nor TPE is available. In accordance with ASC 605, provided the other three revenue recognition criteria other than delivery have been met, we recognize revenue upon delivery to the customer as we have no further obligations.

Principal Agent Considerations

In accordance with ASC 605-45, *Revenue Recognition: Principal Agent Considerations*, we evaluate sales of our interactive software games via third party storefronts, including digital storefronts such as Xbox Live Marketplace, Sony PSN, Apple App Store, and Google Play, in order to determine whether or not we are acting as the principal or as an agent, which we consider in determining if revenue should be reported gross or net of fees retained by the storefront. Key indicators that we evaluate in determining gross versus net treatment include but are not limited to the following:

- The party responsible for delivery/fulfillment of the product or service to the end consumer
- The party responsible for the billing, collection of fees and refunds to the consumer
- The storefront and Terms of Sale that govern the consumer's purchase of the product or service
- The party that sets the pricing with the consumer and has credit risk

Based on the evaluation of the above indicators, we have determined that we are generally acting as an agent and are not considered the primary obligor to consumers for our interactive software games distributed through third party digital storefronts. We therefore recognize revenue related to these arrangements on a net basis.

Sales Returns and Allowances and Bad Debt Reserves

We reduce revenue primarily for estimated future returns and price protection which may occur with our distributors and retailers ("channel partners"). Price protection represents our practice to provide our channel partners with a credit allowance to lower their wholesale price on a particular product in the channel. The amount of the price protection is generally the difference between the old wholesale price and the new reduced wholesale price. In certain countries for our PC and console packaged goods software products, we also have a practice of allowing channel partners to return older software products in the channel in exchange for a credit allowance. As a general practice, we do not give cash refunds.

Taxes Collected from Customers and Remitted to Governmental Authorities

Taxes assessed by a government authority that are both imposed on and concurrent with specific revenue transactions between us and our customers are presented on a net basis in our Consolidated Statements of Operations.

Concentration of Credit Risk, Significant Customers, Franchises and Channel Partners

We extend credit to various retailers and channel partners. Collection of trade receivables may be affected by changes in economic or other industry conditions and may, accordingly, impact our overall credit risk. Although we generally do not require collateral, we perform ongoing credit evaluations of our customers and maintain reserves for potential credit losses. Invoices are aged based on contractual terms with our customers. The provision for doubtful accounts is recorded as a charge to general and administrative expense when a potential loss is identified. Losses are written off against the allowance when the receivable is determined to be uncollectible. At March 31, 2015, we had two customers who accounted for approximately 26 percent and 10 percent of our consolidated gross receivables. At March 31, 2014, we had three customers who accounted for 17 percent, 15 percent, and 11 percent of our consolidated gross receivables.

A majority of our sales are made to major retailers, distributors, and digital resellers. During the fiscal year ended March 31, 2015, approximately 58 percent of our net revenue was derived from our top ten customers. Though our products and services are available to consumers through a variety of retailers and directly through us, the concentration of our sales in one, or a few, large customers could lead to a short-term disruption in our sales if one or more of these customers significantly reduced their purchases or ceased to carry our products and services, and could make us more vulnerable to collection risk if one or more of these large customers became unable to pay for our products or declared bankruptcy.

A significant portion of our revenue has historically been derived from games and services based on a few popular franchises. For example, in fiscal year 2015, net revenue generated from the sale of products and services associated with our three largest franchises accounted for approximately 54 percent of our net revenue.

Currently, a majority of our revenue is derived through sales of products and services on hardware consoles from Sony and Microsoft. For the fiscal years ended March 31, 2015 and 2014, our net revenue for products and services on Sony's PlayStation 3 and 4, and Microsoft's Xbox 360 and One consoles (combined across all four platforms) was 66 percent and 55 percent, respectively. In the fiscal year ended March 31, 2013, our net revenue for products and services on the PlayStation 3 and Xbox 360 combined was 60 percent. These platform partners have significant influence over the products and services that we offer on their platform. Our agreements with Sony and Microsoft typically give significant control to them over the approval, manufacturing and distribution of our products and services, which could, in certain circumstances, leave us unable to get our products and services approved, manufactured and provided to customers.

Short-term investments are placed with high quality financial institutions or in short-duration, investment-grade securities. We limit the amount of credit exposure in any one financial institution or type of investment instrument.

Royalties and Licenses

Royalty-based obligations with content licensors and distribution affiliates are either paid in advance and capitalized as prepaid royalties or are accrued as incurred and subsequently paid. These royalty-based obligations are generally expensed to cost of revenue generally at the greater of the contractual rate or an effective royalty rate based on the total projected net revenue for contracts with guaranteed minimums.

Each quarter, we also evaluate the expected future realization of our royalty-based assets, as well as any unrecognized minimum commitments not yet paid to determine amounts we deem unlikely to be realized through product and service sales. Any impairments or losses determined before the launch of a product are generally charged to research and development expense. Impairments or losses determined post-launch are charged to cost of revenue. We evaluate long-lived royalty-based assets for impairment using undiscounted cash flows when impairment indicators exist. If impairment exists, then the assets are written down to fair value. Unrecognized minimum royalty-based commitments are accounted for as executory contracts, and therefore, any losses on these commitments are recognized when the underlying intellectual property is abandoned (*i.e.*, cease use) or the contractual rights to use the intellectual property are terminated.

Advertising Costs

We generally expense advertising costs as incurred, except for production costs associated with media campaigns, which are recognized as prepaid assets (to the extent paid in advance) and expensed at the first run of the advertisement. Cooperative advertising costs are recognized when incurred and are included in marketing and sales expense if there is a separate identifiable benefit for which we can reasonably estimate the fair value of the benefit identified. Otherwise, they are recognized as a reduction of revenue and are generally accrued when revenue is recognized. We then reimburse the channel partner when qualifying claims are submitted.

We are also reimbursed by our vendors for certain advertising costs incurred by us that benefit our vendors. Such amounts are recognized as a reduction of marketing and sales expense if the advertising (1) is specific to the vendor, (2) represents an identifiable benefit to us, and (3) represents an incremental cost to us. Otherwise, vendor reimbursements are recognized as a reduction of cost of revenue as the related revenue is recognized. Vendor reimbursements of advertising costs of $43 million, $66 million, and $45 million reduced marketing and sales expense for the fiscal years ended March 31, 2015, 2014 and 2013, respectively. For the fiscal years ended March 31, 2015, 2014 and 2013, advertising expense, net of vendor reimbursements, totaled approximately $228 million, $217 million, and $240 million, respectively.

Software Development Costs

Research and development costs, which consist primarily of software development costs, are expensed as incurred. We are required to capitalize software development costs incurred for computer software to be sold, leased or otherwise marketed after technological feasibility of the software is established or for development costs that have alternative future uses. Under our current practice of developing new games, the technological feasibility of the underlying software is not established until substantially all product development and testing is complete, which generally includes the development of a working model. The software development costs that have been capitalized to date have been insignificant.

Foreign Currency Translation

For each of our foreign operating subsidiaries, the functional currency is generally its local currency. Assets and liabilities of foreign operations are translated into U.S. dollars using month-end exchange rates, and revenue and expenses are translated into U.S. dollars using average exchange rates. The effects of foreign currency translation adjustments are included as a component of accumulated other comprehensive income in stockholders' equity.

Foreign currency transaction gains and losses are a result of the effect of exchange rate changes on transactions denominated in currencies other than the functional currency. Net foreign currency transaction gains (losses) of $(62) million, $4 million, and $2 million for the fiscal years ended March 31, 2015, 2014 and 2013, respectively, are included in interest and other income (expense), net, in our Consolidated Statements of Operations. These net foreign currency transaction gains (losses) are partially offset by net gains (losses) on our foreign currency forward contracts of $59 million, $(5) million, and $(2) million for the fiscal years ended March 31, 2015, 2014 and 2013, respectively. See Note 4 for additional information on our foreign currency forward contracts.

Income Taxes

We recognize deferred tax assets and liabilities for both the expected impact of differences between the financial statement amount and the tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax losses and tax credit carryforwards. We record a valuation allowance against deferred tax assets when it is considered more likely than not that all or a portion of our deferred tax assets will not be realized. In making this determination, we are required to give significant weight to evidence that can be objectively verified. It is generally difficult to conclude that a valuation allowance is not needed when there is significant negative evidence, such as cumulative losses in recent years. Forecasts of future taxable income are considered to be less objective than past results, therefore, cumulative losses weigh heavily in the overall assessment.

In addition to considering forecasts of future taxable income, we are also required to evaluate and quantify other possible sources of taxable income in order to assess the realization of our deferred tax assets, namely the reversal of existing deferred tax liabilities, the carry back of losses and credits as allowed under current tax law, and the implementation of tax planning strategies. Evaluating and quantifying these amounts involves significant judgments. Each source of income must be evaluated based on all positive and negative evidence; this evaluation involves assumptions about future activity. Certain taxable temporary differences that are not expected to reverse during the carry forward periods permitted by tax law cannot be considered as a source of future taxable income that may be available to realize the benefit of deferred tax assets.

In fiscal year 2015, we reported U.S. pre-tax income, compared to pre-tax losses in each of the last seven fiscal years. We have not yet been able to establish a sustained level of profitability in the U.S. or other sufficient significant positive evidence to conclude that our U.S. deferred tax assets are more likely than not to be realized. Therefore, we continue to maintain a valuation allowance against most of our U.S. deferred tax assets. However, it is reasonably possible that in fiscal year 2016 we will establish a sustained level of profitability in the U.S. As a result, it is possible that a significant portion of the valuation allowance recorded against our U.S. deferred tax assets at March 31, 2015 could be reversed by the end of fiscal year 2016.

Recently Adopted Accounting Standards

On April 1, 2014, we adopted ASU 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists*. Under the new accounting standard, an unrecognized tax benefit is required to be presented as a reduction to a deferred tax asset if the disallowance of the uncertain tax position would reduce an available tax loss or tax credit carryforward instead of resulting in a cash tax liability. The ASU applies prospectively to all unrecognized tax benefits that exist as of the adoption date. As a result of the adoption, we reduced: (a) noncurrent income tax obligations by $96 million; (b) current deferred income tax assets by $18 million; and (c) noncurrent deferred income tax assets by $11 million. We increased noncurrent deferred income tax liabilities by $67 million. As the new accounting standard only impacted presentation, it did not have an impact on the Company's net financial position, results of operations, or cash flows.

Impact of Recently Issued Accounting Standards

In April 2015, the FASB issued ASU 2015-03, *Interest — Imputation of Interest* (Topic 835-30), which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by this ASU. The disclosure requirements will be effective for annual periods (and interim periods within those annual periods) beginning after December 15, 2015, and will require retrospective application. Early adoption is permitted. We do not expect the adoption to have a material impact on our Consolidated Financial Statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in

U.S. GAAP when it becomes effective. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect that ASU 2014-09 will have on its Consolidated Financial Statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting. The new standard is effective for annual reporting periods beginning after December 15, 2016. Early application is not permitted. We are required to adopt this standard in the first quarter of fiscal year 2018; however, in April 2015, the FASB issued an exposure draft that would provide us with the option to adopt in either the first quarter of fiscal year 2018 or fiscal year 2019. We have not determined which of these two fiscal years we would adopt if the exposure draft is issued as final in its current form.

(2) FAIR VALUE MEASUREMENTS

There are various valuation techniques used to estimate fair value, the primary one being the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value, we consider the principal or most advantageous market in which we would transact and consider assumptions that market participants would use when pricing the asset or liability. We measure certain financial and nonfinancial assets and liabilities at fair value on a recurring and nonrecurring basis.

Fair Value Hierarchy

The three levels of inputs that may be used to measure fair value are as follows:

- *Level 1*. Quoted prices in active markets for identical assets or liabilities.
- *Level 2*. Observable inputs other than quoted prices included within Level 1, such as quoted prices for similar assets or liabilities, quoted prices in markets with insufficient volume or infrequent transactions (less active markets), or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data for substantially the full term of the assets or liabilities.
- *Level 3*. Unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of assets or liabilities.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

As of March 31, 2015 and 2014, our assets and liabilities that were measured and recorded at fair value on a recurring basis were as follows (in millions):

		Fair Value Measurements at Reporting Date Using			
	As of March 31, 2015	Quoted Prices in Active Markets for Identical Financial Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance Sheet Classification
Assets					
Bank and time deposits	$ 175	$175	$ —	$—	Cash equivalents
Money market funds	7	7	—	—	Cash equivalents
Available-for-sale securities:					
Corporate bonds	468	—	468	—	Short-term investments and cash equivalents
U.S. Treasury securities	214	214	—	—	Short-term investments
U.S. agency securities	180	—	180	—	Short-term investments and cash equivalents
Commercial paper	140		140		Short-term investments and cash equivalents
Foreign currency derivatives	18	—	18	—	Other current assets
Deferred compensation plan assets[a]	9	9	—	—	Other assets
Total assets at fair value	$1,211	$405	$806	$—	
Liabilities					
Contingent consideration[b]	$ —	$ —	$ —	$—	Accrued and other current liabilities
Foreign currency derivatives	9	—	9	—	Accrued and other current liabilities
Deferred compensation plan liabilities[a]	9	9	—	—	Other liabilities
Total liabilities at fair value	$ 18	$ 9	$ 9	$—	

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
	Contingent Consideration
Balance as of March 31, 2014	$ 4
Change in fair value[c]	(3)
Payments[d]	(1)
Balance as of March 31, 2015[b]	$—

	As of March 31, 2014	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Financial Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance Sheet Classification
Assets					
Money market funds	$ 588	$588	$ —	$ —	Cash equivalents
Available-for-sale securities:					
Corporate bonds	279	—	279	—	Short-term investments
Commercial paper	146	—	146	—	Short-term investments and cash equivalents
U.S. Treasury securities	118	118	—	—	Short-term investments and cash equivalents
U.S. agency securities	89	—	89	—	Short-term investments and cash equivalents
Deferred compensation plan assets[(a)]	9	9	—	—	Other assets
Total assets at fair value	$1,229	$715	$514	$ —	
Liabilities					
Contingent consideration[(b)]	$ 4	$ —	$ —	$ 4	Accrued and other current liabilities and other liabilities
Foreign currency derivatives	6	—	6	—	Accrued and other current liabilities
Deferred compensation plan liabilities[(a)]	9	9	—	—	Other liabilities
Total liabilities at fair value	$ 19	$ 9	$ 6	$ 4	

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3): Contingent Consideration
Balance as of March 31, 2013	$ 43
Change in fair value[(c)]	(35)
Payments[(d)]	(4)
Balance as of March 31, 2014[(b)]	$ 4

(a) The Deferred Compensation Plan assets consist of various mutual funds. See Note 15 for additional information regarding our Deferred Compensation Plan.

(b) The contingent consideration as of March 31, 2014 represented the estimated fair value of the additional variable cash consideration payable in connection with our acquisitions of KlickNation Corporation ("KlickNation") and Chillingo Limited ("Chillingo") that were contingent upon the achievement of certain performance milestones. We estimated the fair value of the acquisition-related contingent consideration payable using probability-weighted discounted cash flow models, and applied a discount rate that appropriately captured the risk associated with the obligation. The weighted average of the discount rates used during the fiscal year 2015 was 17 percent. The weighted average of the discount rates used during the fiscal year 2014 was 18 percent. The significant unobservable input used in the fair value measurement of the contingent consideration payable was forecasted earnings. At March 31, 2014, the fair market value of acquisition-related contingent consideration totaled $4 million, compared to a maximum potential payout of $10 million. At March 31, 2015, the KlickNation earn-out expired.

(c) The change in fair value is reported as acquisition-related contingent consideration in our Consolidated Statements of Operations.

(d) During fiscal year 2015, we made payments totaling $1 million to settle certain performance milestones achieved in connection with one of our acquisitions. During fiscal year 2014, we made payments totaling $4 million to settle certain performance milestones achieved in connection with two of our acquisitions.

(3) FINANCIAL INSTRUMENTS

Cash and Cash Equivalents

As of March 31, 2015 and 2014, our cash and cash equivalents were $2,068 million and $1,782 million, respectively. Cash equivalents were valued at their carrying amounts as they approximate fair value due to the short maturities of these financial instruments.

Short-Term Investments

Short-term investments consisted of the following as of March 31, 2015 and 2014 (in millions):

	As of March 31, 2015				As of March 31, 2014			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Corporate bonds	$467	$—	$—	$467	$279	$—	$—	$279
U.S. Treasury securities	214	—	—	214	114	—	—	114
U.S. agency securities	161	1	—	162	80	—	—	80
Commercial paper	110	—	—	110	110	—	—	110
Short-term investments	$952	$ 1	$—	$953	$583	$—	$—	$583

We evaluate our investments for impairment quarterly. Factors considered in the review of investments include the credit quality of the issuer, the duration that the fair value has been less than the adjusted cost basis, severity of the impairment, the reason for the decline in value and potential recovery period, the financial condition and near-term prospects of the investees, our intent to sell and ability to hold the investment for a period of time sufficient to allow for any anticipated recovery in market value, and any contractual terms impacting the prepayment or settlement process. Based on our review, we did not consider these investments to be other-than-temporarily impaired as of March 31, 2015 and 2014.

The following table summarizes the amortized cost and fair value of our short-term investments, classified by stated maturity as of March 31, 2015 and 2014 (in millions):

	As of March 31, 2015		As of March 31, 2014	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Short-term investments				
Due in 1 year or less	$417	$417	$318	$318
Due in 1-2 years	281	281	156	156
Due in 2-3 years	244	245	104	104
Due in 3-4 years	10	10	5	5
Short-term investments	$952	$953	$583	$583

(4) DERIVATIVE FINANCIAL INSTRUMENTS

The assets or liabilities associated with our derivative instruments and hedging activities are recorded at fair value in other current assets or accrued and other current liabilities, respectively, on our Consolidated Balance Sheets. As discussed below, the accounting for gains and losses resulting from changes in fair value depends on the use of the derivative instrument and whether it is designated and qualifies for hedge accounting.

We transact business in various foreign currencies and have significant international sales and expenses denominated in foreign currencies, subjecting us to foreign currency risk. We purchase foreign currency forward contracts, generally with maturities of 15 months or less, to reduce the volatility of cash flows primarily related to forecasted revenue and expenses denominated in certain foreign currencies. Our cash flow risks are primarily related to fluctuations in the Euro, British pound sterling, Canadian dollar, and Swedish krona. In addition, we utilize foreign currency forward contracts to mitigate foreign exchange rate risk associated with foreign-currency-denominated monetary assets and liabilities, primarily intercompany receivables and payables. The foreign currency forward contracts not designated as hedging instruments generally have a contractual term of approximately 3 months or less and are transacted near month-end. We do not use foreign currency forward contracts for speculative trading purposes.

Cash Flow Hedging Activities

Certain of our forward contracts are designated and qualify as cash flow hedges. The effectiveness of the cash flow hedge contracts, including time value, is assessed monthly using regression analysis, as well as other timing and probability criteria. To qualify for hedge accounting treatment, all hedging relationships are formally documented at the inception of the hedges and must be highly effective in offsetting changes to future cash flows on hedged transactions. The derivative assets or liabilities associated with our hedging activities are recorded at fair value in other current assets or accrued and other current liabilities on our Consolidated Balance Sheets. The effective portion of gains or losses resulting from changes in the fair value of these hedges is initially reported, net of tax, as a component of accumulated other comprehensive income in stockholders' equity. The gross amount of the effective portion of gains or losses resulting from changes in the fair value of these hedges is subsequently reclassified into net revenue or research and development expenses, as appropriate, in the period when the forecasted transaction is recognized in our Consolidated Statements of Operations. In the event that the gains or losses in accumulated other comprehensive income are deemed to be ineffective, the ineffective portion of gains or losses resulting from changes in fair value, if any, is reclassified to interest and other income (expense), net, in our Consolidated Statements of Operations. In the event that the underlying forecasted transactions do not occur, or it becomes remote that they will occur, within the defined hedge period, the gains or losses on the related cash flow hedges are reclassified from accumulated other comprehensive income to interest and other income (expense), net, in our Consolidated Statements of Operations.

Total gross notional amounts and fair values for currency derivatives with cash flow hedge accounting designation are as follows:

	As of March 31, 2015			As of March 31, 2014		
	Notional	Fair Value		Notional	Fair Value	
	Amount	Asset	Liability	Amount	Asset	Liability
Forward contracts to purchase	$108	$—	$8	$179	$—	$3
Forward contracts to sell	$508	$18	$1	$363	$—	$2

The net impact of the effective portion of gains and losses from our cash flow hedging activities in our Consolidated Statements of Operations for the fiscal years ended March 31, 2015, 2014 and 2013 was a loss of $11 million, $9 million, and $4 million, respectively.

During the fiscal years ended March 31, 2015, 2014 and 2013, we reclassified an immaterial amount of the ineffective portion of gains or losses resulting from changes in fair value into interest and other income (expense), net.

Balance Sheet Hedging Activities

Our foreign currency forward contracts that are not designated as hedging instruments are accounted for as derivatives whereby the fair value of the contracts are reported as other current assets or accrued and other current liabilities on our Consolidated Balance Sheets, and gains and losses resulting from changes in the fair value are reported in interest and other income (expense), net, in our Consolidated Statements of Operations. The gains and losses on these foreign currency forward contracts generally offset the gains and losses in the underlying foreign-currency-denominated monetary assets and liabilities, which are also reported in interest and other income (expense), net, in our Consolidated Statements of Operations. The fair value of our foreign currency forward contracts was measured using Level 2 inputs.

Total gross notional amounts and fair values for currency derivatives that are not designated as hedging instruments are accounted for as follows:

	As of March 31, 2015			As of March 31, 2014		
	Notional Amount	Fair Value		Notional Amount	Fair Value	
		Asset	Liability		Asset	Liability
Forward contracts to purchase	$ 99	$—	$—	$140	$—	$ 1
Forward contracts to sell	$173	$—	$—	$232	$—	$—

The effect of foreign currency forward contracts not designated as hedging instruments in our Consolidated Statements of Operations for the fiscal years ended March 31, 2015, 2014 and 2013, was as follows (in millions):

	Location of Gain (Loss) Recognized in Income on Derivative Instruments	Amount of Gain (Loss) Recognized in Income on Derivative Instruments		
		Year Ended March 31,		
		2015	2014	2013
Foreign currency forward contracts not designated as hedging instruments	Interest and other income (expense), net	$58	$(5)	$(2)

(5) ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The changes in accumulated other comprehensive income (loss) by component, net of tax, for the fiscal years ended March 31, 2015, 2014 and 2013 are as follows (in millions):

	Unrealized Net Gains (Losses) on Available-for-Sale Securities	Unrealized Net Gains (Losses) on Derivative Instruments	Foreign Currency Translation Adjustments	Total
Balances as of March 31, 2012	$ 83	$ (2)	$ 92	$ 173
Other comprehensive loss before reclassifications	(46)	(2)	(19)	(67)
Amounts reclassified from accumulated other comprehensive income	(41)	4	—	(37)
Net current-period other comprehensive income (loss)	(87)	2	(19)	(104)
Balances as of March 31, 2013	$ (4)	$ —	$ 73	$ 69
Other comprehensive loss before reclassifications	$ —	$(19)	$(22)	$ (41)
Amounts reclassified from accumulated other comprehensive income	—	9	—	9
Net current-period other comprehensive income (loss)	—	(10)	(22)	(32)
Balances as of March 31, 2014	(4)	(10)	51	37
Other comprehensive income (loss) before reclassifications	$ 1	$ 20	$(67)	$ (46)
Amounts reclassified from accumulated other comprehensive income	—	11	—	11
Net current-period other comprehensive income (loss)	1	31	(67)	(35)
Balances as of March 31, 2015	(3)	21	(16)	2

The effects on net income (loss) of amounts reclassified from accumulated other comprehensive income (loss) for the fiscal years ended March 31, 2015, 2014 and 2013 were as follows (in millions):

	Amount Reclassified From Accumulated Other Comprehensive Income (loss)		
	Year Ended March 31,		
Statement of Operations Classification	**2015**	**2014**	**2013**
Gains and losses on available-for-sale securities			
Gains on strategic investments	$—	$—	$(39)
Interest and other income (expense), net	—	—	(2)
Net of tax	—	—	(41)
Gains and losses on cash flow hedges from forward contracts			
Net revenue	(2)	7	3
Research and development	13	2	1
Net of tax	11	9	4
Total amount reclassified, net of tax	$11	$ 9	$(37)

(6) BUSINESS COMBINATIONS

During each of the fiscal years ended March 31, 2014 and 2013, we completed one acquisition that did not have a significant impact on our Consolidated Financial Statements. There were no acquisitions during the fiscal year ended March 31, 2015.

(7) GOODWILL AND ACQUISITION-RELATED INTANGIBLES, NET

The changes in the carrying amount of goodwill for the fiscal year ended March 31, 2015 are as follows (in millions):

	As of March 31, 2014	Activity	Effects of Foreign Currency Translation	As of March 31, 2015
Goodwill	$2,091	$—	$(10)	$2,081
Accumulated impairment	(368)	—	—	(368)
Total	$1,723	$—	$(10)	$1,713

The changes in the carrying amount of goodwill for the fiscal year ended March 31, 2014 are as follows (in millions):

	As of March 31, 2013	Activity	Effects of Foreign Currency Translation	As of March 31, 2014
Goodwill	$2,089	$ 5	$ (3)	$2,091
Accumulated impairment	(368)	—	—	(368)
Total	$1,721	$ 5	$ (3)	$1,723

Goodwill represents the excess of the purchase price over the fair value of the underlying acquired net tangible and intangible assets. Goodwill is not amortized, but rather subject to at least an annual assessment for impairment by applying a fair value-based test.

Annual Report

Acquisition-related intangibles, consisted of the following (in millions):

	As of March 31, 2015			As of March 31, 2014		
	Gross Carrying Amount	Accumulated Amortization	Acquisition-Related Intangibles, Net	Gross Carrying Amount	Accumulated Amortization	Acquisition-Related Intangibles, Net
Developed and core technology	$531	$(439)	$ 92	$531	$(385)	$146
Trade names and trademarks	130	(111)	19	130	(105)	25
Registered user base and other intangibles	87	(87)	—	87	(87)	—
Carrier contracts and related	85	(85)	—	85	(79)	6
Total	$833	$(722)	$111	$833	$(656)	$177

Amortization of intangibles for the fiscal years ended March 31, 2015, 2014 and 2013 are classified in the Consolidated Statement of Operations as follows (in millions):

	Year Ended March 31,		
	2015	2014	2013
Cost of product	$16	$33	$ 55
Cost of service and other	36	27	38
Operating expenses	14	16	30
Total	$66	$76	$123

Acquisition-related intangible assets are amortized using the straight-line method over the lesser of their estimated useful lives or the agreement terms, typically from 2 to 14 years. As of March 31, 2015 and 2014, the weighted-average remaining useful life for acquisition-related intangible assets was approximately 2.8 years and 3.4 years for each period, respectively.

As of March 31, 2015, future amortization of acquisition-related intangibles that will be recorded in the Consolidated Statement of Operations is estimated as follows (in millions):

Fiscal Year Ending March 31,	
2016	$ 53
2017	32
2018	12
2019	8
2020	6
Thereafter	—
Total	$111

(8) RESTRUCTURING AND OTHER CHARGES

Restructuring and other restructuring plan-related information as of March 31, 2015 was as follows (in millions):

	Fiscal 2011 Restructuring	Other Restructurings and Reorganization			
	Other	Workforce	Facilities-related	Other	Total
Balances as of March 31, 2012	$ 75	$ —	$ 3	$—	$ 78
Charges to operations	6	10	2	9	$ 27
Charges settled in cash	(24)	(10)	(1)	(1)	$(36)
Charges settled in non-cash	—	—	—	(7)	$ (7)
Balances as of March 31, 2013	$ 57	$ —	$ 4	$ 1	$ 62
Charges to operations	(2)	—	1	—	$ (1)
Charges settled in cash	(8)	—	(3)	—	$(11)
Balances as of March 31, 2014	47	—	2	1	50
Charges to operations	—	—	—	—	$ —
Charges settled in cash	(36)	—	(1)	(1)	$(38)
Balances as of March 31, 2015	$ 11	$ —	$ 1	$—	$ 12

Fiscal 2011 Restructuring

In fiscal year 2011, we announced a plan focused on the restructuring of certain licensing and developer agreements in an effort to improve the long-term profitability of our packaged goods business. Under this plan, we amended certain licensing and developer agreements. To a much lesser extent, as part of this restructuring we had workforce reductions and facilities closures through March 31, 2011. Substantially all of these exit activities were completed by March 31, 2011.

Since the inception of the fiscal 2011 restructuring plan through March 31, 2015, we have incurred charges of $172 million, consisting of (1) $129 million related to the amendment of certain licensing agreements and other intangible asset impairment costs, (2) $31 million related to the amendment of certain developer agreements, and (3) $12 million in employee-related expenses. The $11 million restructuring accrual as of March 31, 2015 is expected to be settled by December 2015. We do not expect to incur any additional restructuring charges under this plan.

Other Restructurings and Reorganization

We also engaged in various other restructurings and a reorganization based on management decisions made in fiscal years 2013 and 2009. We do not expect to incur any additional restructuring charges under these plans. The $1 million restructuring accrual as of March 31, 2015 related to our other restructuring plans is expected to be settled by April 2020.

(9) ROYALTIES AND LICENSES

Our royalty expenses consist of payments to (1) content licensors, (2) independent software developers, and (3) co-publishing and distribution affiliates. License royalties consist of payments made to celebrities, professional sports organizations, movie studios and other organizations for our use of their trademarks, copyrights, personal publicity rights, content and/or other intellectual property. Royalty payments to independent software developers are payments for the development of intellectual property related to our games. Co-publishing and distribution royalties are payments made to third parties for the delivery of products.

Royalty-based obligations with content licensors and distribution affiliates are either paid in advance and capitalized as prepaid royalties or are accrued as incurred and subsequently paid. These royalty-based obligations are generally expensed to cost of revenue at the greater of the contractual rate or an effective royalty rate based on the total projected net revenue for contracts with guaranteed minimums. Prepayments made to thinly capitalized independent software developers and co-publishing affiliates are generally made in connection with the development of a particular product, and therefore, we are generally subject to development risk prior to the release of the product. Accordingly, payments that are due prior to completion of a product are generally expensed to research and development over the development period as the services are incurred. Payments due after completion of the product (primarily royalty-based in nature) are generally expensed as cost of revenue.

Our contracts with some licensors include minimum guaranteed royalty payments, which are initially recorded as an asset and as a liability at the contractual amount when no performance remains with the licensor. When performance remains with the licensor, we record guarantee payments as an asset when actually paid and as a liability when incurred, rather than recording the asset and liability upon execution of the contract. Royalty liabilities are classified as current liabilities to the extent such royalty payments are contractually due within the next 12 months.

Each quarter, we also evaluate the expected future realization of our royalty-based assets, as well as any unrecognized minimum commitments not yet paid to determine amounts we deem unlikely to be realized through product and service sales. Any impairments or losses determined before the launch of a product are generally charged to research and development expense. Impairments or losses determined post-launch are charged to cost of revenue. We evaluate long-lived royalty-based assets for impairment using undiscounted cash flows when impairment indicators exist. If impairment exists, then the assets are written down to fair value. Unrecognized minimum royalty-based commitments are accounted for as executory contracts, and therefore, any losses on these commitments are recognized when the underlying intellectual property is abandoned (*i.e.*, cease use) or the contractual rights to use the intellectual property are terminated.

During fiscal year 2015, we recognized a loss of $122 million on a previously unrecognized licensed intellectual property commitment. The $122 million loss relates to the termination of certain rights we previously had to use a licensor's intellectual property. In addition, because the loss will be paid in installments through March 2022, our accrued loss was computed using the effective interest method. We currently estimate recognizing in future periods through March 2022, approximately $29 million for the accretion of interest expense related to this obligation. This interest expense will be included in cost of revenue in our Consolidated Statement of Operations. During fiscal year 2014, we recognized losses of $35 million, inclusive of impairment charges of $17 million on royalty-based assets and $18 million of losses on previously unrecognized royalty-based commitments.

The current and long-term portions of prepaid royalties and minimum guaranteed royalty-related assets, included in other current assets and other assets, consisted of (in millions):

	As of March 31,	
	2015	**2014**
Other current assets	$ 70	$ 97
Other assets	59	58
Royalty-related assets	$129	$155

At any given time, depending on the timing of our payments to our co-publishing and/or distribution affiliates, content licensors, and/or independent software developers, we classify any recognized unpaid royalty amounts due to these parties as accrued liabilities. The current and long-term portions of accrued royalties, included in accrued and other current liabilities and other liabilities, consisted of (in millions):

	As of March 31,	
	2015	**2014**
Accrued royalties	$119	$ 73
Other accrued expenses	—	7
Other liabilities	131	53
Royalty-related liabilities	$250	$133

As of March 31, 2015, we were committed to pay approximately $1,584 million to content licensors, independent software developers, and co-publishing and/or distribution affiliates, but performance remained with the counterparty (*i.e.*, delivery of the product or content or other factors) and such commitments were therefore not recorded in our Consolidated Financial Statements. See Note 13 for further information on our developer and licensor commitments.

(10) BALANCE SHEET DETAILS

Inventories

Inventories as of March 31, 2015 and 2014 consisted of (in millions):

	As of March 31,	
	2015	2014
Finished goods	$35	$55
Raw materials and work in process	1	1
Inventories	$36	$56

Property and Equipment, Net

Property and equipment, net, as of March 31, 2015 and 2014 consisted of (in millions):

	As of March 31,	
	2015	2014
Computer, equipment and software	$ 655	$ 718
Buildings	315	327
Leasehold improvements	126	129
Office equipment, furniture and fixtures	64	67
Land	62	63
Warehouse, equipment and other	9	10
Construction in progress	7	5
	1,238	1,319
Less: accumulated depreciation	(779)	(809)
Property and equipment, net	$ 459	$ 510

Depreciation expense associated with property and equipment was $126 million, $126 million and $118 million for the fiscal years ended March 31, 2015, 2014 and 2013, respectively.

Accrued and Other Current Liabilities

Accrued and other current liabilities as of March 31, 2015 and 2014 consisted of (in millions):

	As of March 31,	
	2015	2014
Other accrued expenses	$298	$328
Accrued compensation and benefits	263	259
Accrued royalties	119	73
Deferred net revenue (other)	114	121
Accrued and other current liabilities	$794	$781

Deferred net revenue (other) includes the deferral of subscription revenue, deferrals related to our Switzerland distribution business, advertising revenue, licensing arrangements, and other revenue for which revenue recognition criteria has not been met.

Deferred Net Revenue (Online-Enabled Games)

Deferred net revenue (online-enabled games) was $1,283 million and $1,490 million as of March 31, 2015 and 2014, respectively. Deferred net revenue (online-enabled games) generally includes the unrecognized revenue from bundled sales of online-enabled games for which we do not have vendor-specific objective evidence of fair value ("VSOE") for the obligation to provide unspecified updates. We recognize revenue from the sale of online-enabled games for which we do not have VSOE for the unspecified updates on a straight-line basis, generally over an estimated nine-month period beginning in the month after shipment for physical games sold through retail and an estimated six-month period for digitally-distributed games. However, we expense the cost of revenue related to these transactions during the period in which the product is delivered (rather than on a deferred basis).

(11) INCOME TAXES

The components of our income before provision for (benefit from) income taxes for the fiscal years ended March 31, 2015, 2014 and 2013 are as follows (in millions):

	Year Ended March 31,		
	2015	2014	2013
Domestic	$232	$(146)	$ (15)
Foreign	693	153	154
Income before provision for (benefit from) income taxes	$925	$ 7	$139

Provision for (benefit from) income taxes for the fiscal years ended March 31, 2015, 2014 and 2013 consisted of (in millions):

	Current	Deferred	Total
Year Ended March 31, 2015			
Federal	$10	$17	$ 27
State	—	—	—
Foreign	21	2	23
	$31	$19	$ 50
Year Ended March 31, 2014			
Federal	$ (2)	$ (9)	$(11)
State	1	(2)	(1)
Foreign	8	3	11
	$ 7	$ (8)	$ (1)
Year Ended March 31, 2013			
Federal	$—	$ 5	$ 5
State	—	1	1
Foreign	39	(4)	35
	$39	$ 2	$ 41

Excess tax benefits from stock-based compensation deductions are allocated to contributed capital before historical net operating losses are utilized to reduce tax expense. Deferred income tax provision includes tax benefits allocated directly to contributed capital of $21 million and $12 million for fiscal years 2015 and 2014, respectively, and none for fiscal year 2013.

The differences between the statutory tax expense rate and our effective tax expense (benefit) rate, expressed as a percentage of income before provision for (benefit from) income taxes, for the fiscal years ended March 31, 2015, 2014 and 2013 were as follows:

	Year Ended March 31,		
	2015	2014	2013
Statutory federal tax expense rate	35.0%	35.0%	35.0%
State taxes, net of federal benefit	0.1%	(242.9)%	(5.0)%
Differences between statutory rate and foreign effective tax rate	(22.3)%	(142.9)%	(15.2)%
Valuation allowance	(9.2)%	936.5%	35.0%
Research and development credits	(1.1)%	(128.6)%	(8.6)%
Differences between book and tax on sale of strategic investments	—	—	(15.2)%
Resolution of tax matters with authorities	(0.5)%	(657.1)%	—
Non-deductible stock-based compensation	3.5%	385.7%	21.5%
Acquisition-related contingent consideration	(0.2)%	(185.7)%	(16.5)%
Other	0.1%	(14.3)%	(1.5)%
Effective tax expense (benefit) rate	5.4%	(14.3)%	29.5%

During the fiscal year 2014, we made a one-time repatriation of $700 million from certain of our wholly-owned subsidiaries. This repatriation did not have a material impact on our effective tax rate for fiscal year 2014 due to the deferred tax valuation allowance.

Undistributed earnings of our foreign subsidiaries amounted to approximately $752 million as of March 31, 2015. Those earnings are considered to be indefinitely reinvested and, accordingly, no U.S. income taxes have been provided thereon. Upon distribution of those earnings in the form of dividends or otherwise, we would be subject to both U.S. income taxes (subject to an adjustment for foreign tax credits) and withholding taxes payable to various foreign countries. It is not practicable to determine the income tax liability that might be incurred if these earnings were to be distributed.

The components of net deferred tax assets, as of March 31, 2015 and 2014 consisted of (in millions):

	As of March 31,	
	2015	2014
Deferred tax assets:		
Accruals, reserves and other expenses	$ 193	$ 163
Tax credit carryforwards	358	462
Stock-based compensation	35	43
Net operating loss & capital loss carryforwards	53	199
Total	639	867
Valuation allowance	(555)	(675)
Deferred tax assets, net of valuation allowance	84	192
Deferred tax liabilities:		
Depreciation	(9)	(12)
State effect on federal taxes	(62)	(63)
Amortization	(23)	(28)
Prepaids and other liabilities	(8)	(9)
Total	(102)	(112)
Deferred tax assets, net of valuation allowance and deferred tax liabilities	$ (18)	$ 80

On April 1, 2014, we adopted ASU 2013-11, *Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists.* Under the new accounting standard, an unrecognized tax benefit is required to be presented as a reduction to a deferred tax asset if the disallowance of the uncertain tax position would reduce an available tax loss or tax credit carryforward instead of resulting in a cash tax liability. The ASU applies prospectively to all unrecognized tax benefits that exist as of the adoption date. Prior to adoption, the deferred tax assets were presented without reduction for uncertain tax positions.

The valuation allowance decreased by $120 million in fiscal year 2015, primarily due to the current fiscal year utilization of U.S. deferred tax assets. We have not yet been able to establish a sustained level of profitability in the U.S. or other sufficient significant positive evidence to conclude that our U.S. deferred tax assets are more likely than not to be realized. Therefore, we continue to maintain a valuation allowance against most of our U.S. deferred tax assets. It is possible that a significant portion of the valuation allowance recorded against our U.S. deferred tax assets at March 31, 2015 could be reversed by the end of fiscal year 2016.

As of March 31, 2015, we have state net operating loss carry forwards of approximately $785 million of which approximately $114 million is attributable to various acquired companies. These carry forwards, if not fully realized, will begin to expire in 2016. We also have U.S. federal, California and Canada tax credit carry forwards of $320 million, $131 million and $7 million, respectively. The U.S. federal tax credit carry forwards will begin to expire in 2024. The California and Canada tax credit carry forwards can be carried forward indefinitely.

The total unrecognized tax benefits as of March 31, 2015 and 2014 were $254 million and $232 million, respectively. A reconciliation of the beginning and ending balance of unrecognized tax benefits is summarized as follows (in millions):

Balance as of March 31, 2013	$297
Increases in unrecognized tax benefits related to prior year tax positions	10
Decreases in unrecognized tax benefits related to prior year tax positions	(79)
Increases in unrecognized tax benefits related to current year tax positions	44
Decreases in unrecognized tax benefits related to settlements with taxing authorities	(29)
Reductions in unrecognized tax benefits due to lapse of applicable statute of limitations	(9)
Changes in unrecognized tax benefits due to foreign currency translation	(2)
Balance as of March 31, 2014	232
Increases in unrecognized tax benefits related to prior year tax positions	9
Decreases in unrecognized tax benefits related to prior year tax positions	(14)
Increases in unrecognized tax benefits related to current year tax positions	50
Decreases in unrecognized tax benefits related to settlements with taxing authorities	(6)
Reductions in unrecognized tax benefits due to lapse of applicable statute of limitations	(7)
Changes in unrecognized tax benefits due to foreign currency translation	(10)
Balance as of March 31, 2015	$254

A portion of our unrecognized tax benefits will affect our effective tax rate if they are recognized upon favorable resolution of the uncertain tax positions. As of March 31, 2015, approximately $58 million of the unrecognized tax benefits would affect our effective tax rate and approximately $195 million would result in adjustments to deferred tax valuation allowance. As of March 31, 2014, approximately $84 million of the unrecognized tax benefits would affect our effective tax rate and approximately $148 million would result in corresponding adjustments to the deferred tax valuation allowance.

Interest and penalties related to estimated obligations for tax positions taken in our tax returns are recognized in income tax expense in our Consolidated Statements of Operations. The combined amount of accrued interest and penalties related to tax positions taken on our tax returns and included in non-current other liabilities was approximately $16 million as of March 31, 2015 and 2014. There is no material change in accrued interest and penalties during fiscal year 2015.

We file income tax returns in the United States, including various state and local jurisdictions. Our subsidiaries file tax returns in various foreign jurisdictions, including Canada, France, Germany, Switzerland and the United Kingdom. The IRS is currently examining our returns for fiscal years 2009 through 2011, and we remain subject to income tax examination by the IRS for fiscal years after 2011.

We are also currently under income tax examination in the United Kingdom for fiscal years 2010 through 2013, and in Germany for fiscal years 2008 through 2012. We remain subject to income tax examination for several other jurisdictions including in France for fiscal years after 2011, in Germany for fiscal years after 2012, in the United Kingdom for fiscal years after 2013, and in Canada and Switzerland for fiscal years after 2007.

The timing of the resolution of income tax examinations is highly uncertain, and the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued for each year. Although potential resolution of uncertain tax positions involve multiple tax periods and jurisdictions, it is reasonably possible that a reduction of up to $11 million of unrecognized tax benefits may occur within the next 12 months, some of which, depending on the nature of the settlement or expiration of statutes of limitations, may affect the Company's income tax provision and therefore benefit the resulting effective tax rate. The actual amount could vary significantly depending on the ultimate timing and nature of any settlements.

(12) FINANCING ARRANGEMENT

0.75% Convertible Senior Notes Due 2016

In July 2011, we issued $632.5 million aggregate principal amount of 0.75% Convertible Senior Notes due 2016 (the "Notes"). The Notes are senior unsecured obligations which pay interest semiannually in arrears at a rate of 0.75% per annum on January 15 and July 15 of each year, beginning on January 15, 2012 and will mature on July 15, 2016, unless purchased earlier or converted in accordance with their terms prior to such date. The Notes are senior in right of payment to any unsecured indebtedness that is expressly subordinated in right of payment to the Notes.

The Notes are convertible into cash and shares of our common stock based on an initial conversion value of 31.5075 shares of our common stock per $1,000 principal amount of Notes (equivalent to an initial conversion price of approximately $31.74 per share). Upon conversion of the Notes, holders will receive cash up to the principal amount of each Note, and any excess conversion value will be delivered in shares of our common stock. Prior to April 15, 2016, the Notes are convertible only if (1) the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130 percent of the conversion price ($41.26 per share) on each applicable trading day (the "Sales Price Condition"); (2) during the five business day period after any ten consecutive trading day period in which the trading price per $1,000 principal amount of notes falls below 98 percent of the last reported sale price of our common stock multiplied by the conversion rate on each trading day; or (3) specified corporate transactions, including a change in control, occur. On or after April 15, 2016, a holder may convert any of its Notes at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date. The conversion rate is subject to customary anti-dilution adjustments (for example, certain dividend distributions or tender or exchange offer of our common stock), but will not be adjusted for any accrued and unpaid interest. The Notes are not redeemable prior to maturity except for specified corporate transactions and events of default, and no sinking fund is provided for the Notes. The Notes do not contain any financial covenants.

Following certain corporate events described in the indenture governing the notes (the "Indenture") that occur prior to the maturity date, the conversion rate will be increased for a holder who elects to convert its Notes in connection with such corporate event in certain circumstances. If we undergo a "fundamental change," as defined in the Indenture, subject to certain conditions, holders may require us to purchase for cash all or any portion of their Notes. The fundamental change purchase price will be 100 percent of the principal amount of the Notes to be purchased plus any accrued and unpaid interest up to but excluding the fundamental change purchase date.

The Indenture contains customary terms and covenants, including that upon certain events of default occurring and continuing, either the trustee or the holders of at least 25 percent in principal amount of the outstanding Notes may declare 100 percent of the principal and accrued and unpaid interest on all the Notes to be due and payable.

We separately account for the liability and equity components of the Notes. The initial carrying amount of the equity component representing the conversion option is equal to the fair value of the Convertible Note Hedge, as described below, which is a substantially identical instrument and was purchased on the same day as the Notes. The initial carrying amount of the liability component was determined by deducting the fair value of the equity component from the par value of the Notes as a whole, and represents the fair value of a similar liability that does not have an associated convertible feature. A liability of $525 million as of the initial date of issuance was recognized for the principal amount of the Notes representing the present value of the Notes' cash flows using a discount rate of 4.54 percent. The excess of the principal amount of the liability component over its carrying amount is amortized to interest expense over the term of the Notes using the effective interest method. The equity component on the date of issuance was $107 million.

In accounting for $15 million of issuance costs paid in July 2011 related to the Notes issuance, we allocated $13 million to the liability component and $2 million to the equity component. Debt issuance costs attributable to the liability component are being amortized to interest expense over the term of the Notes, and issuance costs attributable to the equity component were netted with the equity component in additional paid-in capital.

During the fiscal quarter ended March 31, 2015, the Sales Price Condition was met. As a result, the Notes are convertible at the option of the holder through July 4, 2015, and the carrying value of the Notes was reclassified as a current liability and the excess of the principal amount over the carrying value of the Notes was reclassified from permanent equity to temporary equity in the Consolidated Balance Sheets as of March 31, 2015. The determination of whether or not the Notes are convertible is performed on a quarterly basis. If this threshold is not met next quarter, the Notes will be reclassified back to long-term debt and the temporary equity will be reclassified back to permanent equity.

Upon conversion of any Notes, we will deliver cash up to the principal amount of the Notes and any excess conversion value will be delivered in shares of our common stock. As of March 31, 2015, there were no shares issued related to the Notes. Subsequent to March 31, 2015, shares issued upon conversion of the Notes were minimal. Based on the closing price of our common stock of $58.24 at the end of the quarter ended March 31, 2015, the if-converted value of our Notes exceeded their principal amount by $528 million.

The carrying and fair values of the Notes are as follows (in millions):

	As of March 31, 2015	As of March 31, 2014
Principal amount of Notes	633	633
Unamortized debt discount of the liability component	(31)	(53)
Net carrying value of Notes	602	580
Fair value of Notes	$1,158	$731

The fair value of the Notes is classified as Level 2 within the fair value hierarchy. As of March 31, 2015, the remaining life of the Notes is approximately 1.3 years.

Convertible Note Hedge and Warrants Issuance

In July 2011, we entered into privately negotiated convertible note hedge transactions (the "Convertible Note Hedge") with certain counterparties to reduce the potential dilution with respect to our common stock upon conversion of the Notes. We paid $107 million for the Convertible Note Hedge, which was recorded as an equity transaction. The Convertible Note Hedge, subject to customary anti-dilution adjustments, provides us with the option to acquire, on a net settlement basis, approximately 19.9 million shares of our common stock equal to the number of shares of our common stock that notionally underlie the Notes at a strike price of $31.74, which corresponds to the conversion price of the Notes. As of March 31, 2015, we have not acquired any shares under the Convertible Note Hedge. Subsequent to March 31, 2015, we received a minimal number of shares related to the Convertible Note Hedge.

Separately, in July 2011 we also entered into privately negotiated warrant transactions with certain counterparties whereby we sold to independent third parties warrants (the "Warrants") to acquire, subject to customary anti-dilution adjustments that are substantially the same as the anti-dilution provisions contained in the Notes, up to 19.9 million shares of our common stock (which is also equal to the number of shares of our common stock that notionally underlie the Notes), with a strike price of $41.14. The Warrants could have a dilutive effect with respect to our common stock to the extent that the market price per share of our common stock exceeds $41.14 on or prior to the expiration date of the Warrants. We received proceeds of $65 million from the sale of the Warrants.

Effect of conversion on earning per share ("EPS")

The Notes have no impact on diluted EPS for periods where the average quarterly price of our common stock is below the conversion price of $31.74 per share. Prior to conversion, we will include the effect of the additional shares that may be issued if our common stock price exceeds $31.74 per share using the treasury stock method. If the average price of our common stock exceeds $41.14 per share for a quarterly period, we will also include the effect of the additional potential shares that may be issued related to the Warrants using the treasury stock method. Prior to conversion, the Convertible Note Hedge is not considered for purposes of the EPS calculation, as its effect would be anti-dilutive. Upon conversion, the Convertible Note Hedge is expected to offset the dilutive effect of the Notes when the stock price is above $31.74 per share. See Note 17 for additional information related to our EPS.

Credit Facility

On March 19, 2015, we entered into a $500 million senior unsecured revolving credit facility ("Credit Facility") with a syndicate of banks. The credit facility terminates on March 19, 2020 and replaces the Company's existing $500 million unsecured credit facility (the "Prior Credit Facility"), which was due to expire on February 29, 2016. No amounts were ever drawn under the Prior Credit Facility. The Credit Facility contains an option to arrange with existing lenders and/or new lenders for them to provide up to an aggregate of $250 million in additional commitments for revolving loans. Proceeds of loans made under the credit facility may be used for general corporate purposes.

The loans bear interest, at our option, at the base rate plus an applicable spread or an adjusted LIBOR rate plus an applicable spread, in each case with such spread being determined based on our consolidated leverage ratio for the preceding fiscal quarter. We are also obligated to pay other customary fees for a credit facility of this size and type. Interest is due and payable in arrears quarterly for loans bearing interest at the base rate and at the end of an interest period (or at each three month interval in the case of loans with interest periods greater than three months) in the case of loans bearing interest at the adjusted LIBOR rate. Principal, together with all accrued and unpaid interest, is due and payable on March 19, 2020.

The credit agreement contains customary affirmative and negative covenants, including covenants that limit or restrict our ability to, among other things, incur subsidiary indebtedness, grant liens, dispose of all or substantially all assets and pay dividends or make distributions, in each case subject to customary exceptions for a credit facility of this size and type. We are also required to maintain compliance with a capitalization ratio and maintain a minimum level of total liquidity.

The credit agreement contains customary events of default, including among others, non-payment defaults, covenant defaults, cross-defaults to material indebtedness, bankruptcy and insolvency defaults, material judgment of defaults and a change of control default, in each case, subject to customary exceptions for a credit facility of this size and type. The occurrence of an event of default could result in the acceleration of the obligations under the credit facility, an obligation by any guarantors to repay the obligations in full and an increase in the applicable interest rate.

As of March 31, 2015, no amounts were outstanding under the Credit Facility. $2 million of debt issuance costs that were paid in connection with obtaining this credit facility are being amortized to interest expense over the 5 year term of the Credit Facility.

The following table summarizes our interest expense recognized for fiscal years 2015, 2014, and 2013 that is included in interest and other income (expense), net on our Consolidated Statements of Operations (in millions):

	Year Ended March 31,		
	2015	2014	2013
Amortization of debt discount	$(22)	$(21)	$(20)
Amortization of debt issuance costs	(3)	(3)	(3)
Coupon interest expense	(5)	(5)	(5)
Other interest expense	(1)	(1)	(1)
Total interest expense	$(31)	$(30)	$(29)

(13) COMMITMENTS AND CONTINGENCIES

Lease Commitments

As of March 31, 2015, we leased certain facilities, furniture and equipment under non-cancelable operating lease agreements. We were required to pay property taxes, insurance and normal maintenance costs for certain of these facilities and any increases over the base year of these expenses on the remainder of our facilities.

Development, Celebrity, League and Content Licenses: Payments and Commitments

The products we produce in our studios are designed and created by our employee designers, artists, software programmers and by non-employee software developers ("independent artists" or "third-party developers"). We typically advance development funds to the independent artists and third-party developers during development of our games, usually in installment payments made upon the completion of specified development milestones. Contractually, these payments are generally considered advances against subsequent royalties on the sales of the products. These terms are set forth in written agreements entered into with the independent artists and third-party developers.

In addition, we have certain celebrity, league and content license contracts that contain minimum guarantee payments and marketing commitments that may not be dependent on any deliverables. Celebrities and organizations with whom we have contracts include, but are not limited to: FIFA (Fédération Internationale de Football Association), FIFPRO Foundation, FAPL (Football Association Premier League Limited), and DFL Deutsche Fußball Liga GmbH (German Soccer League) (professional soccer); Dr. Ing. h.c. F. Porsche AG, Ferrari S.p.A. (Need For Speed and Real Racing games); National Basketball Association (professional basketball); PGA TOUR (professional golf); National Hockey League and NHL Players' Association (professional hockey); National Football League Properties, PLAYERS Inc., and Red Bear Inc. (professional football); Zuffa, LLC (Ultimate Fighting Championship); ESPN (content in EA SPORTS games); Hasbro, Inc. (certain of Hasbro's board game intellectual properties); Disney Interactive (Star Wars); Fox Digital Entertainment, Inc. (The Simpsons); and Universal Studios Inc. (Minions). These developer and content license commitments represent the sum of (1) the cash payments due under non-royalty-bearing licenses and services agreements and (2) the minimum guaranteed payments and advances against royalties due under royalty-bearing licenses and services agreements, the majority of which are conditional upon performance by the counterparty. These minimum guarantee payments and any related marketing commitments are included in the table below.

The following table summarizes our minimum contractual obligations as of March 31, 2015 (in millions):

		Fiscal Year Ending March 31,					
	Total	2016	2017	2018	2019	2020	Thereafter
Unrecognized commitments							
Developer/licensor commitments	$1,584	$192	$256	$271	$231	$209	$425
Marketing commitments	347	41	64	49	48	48	97
Operating leases	181	41	32	23	19	17	49
0.75% Convertible Senior Notes due 2016 interest[(a)]	7	5	2	—	—	—	—
Other purchase obligations	46	27	12	3	2	2	—
Total unrecognized commitments	2,165	306	366	346	300	276	571
Recognized commitments							
0.75% Convertible Senior Notes due 2016 principal[(a)]	633	633	—	—	—	—	—
Licensing and lease obligations[(b)]	162	15	22	23	24	25	53
Total recognized commitments	795	648	22	23	24	25	53
Total Commitments	$2,960	$954	$388	$369	$324	$301	$624

(a) Included in the $7 million coupon interest on the Notes is $1 million of accrued interest recognized as of March 31, 2015. We will be obligated to pay the $632.5 million principal amount of the Notes in cash and any excess conversion value in shares of our common stock upon redemption of the Notes at maturity on July 15, 2016, or upon earlier conversion. During the fiscal quarter ended March 31, 2015, the Sales Price Condition was met and as a result, the Notes are currently convertible at the option of the holder though July 4, 2015. See Note 12 for additional information regarding our Notes.

(b) See Note 8 for additional information regarding recognized commitments resulting from our restructuring plans. Lease commitments have not been reduced for approximately $3 million due in the future from third parties under non-cancelable sub-leases. See Note 9 for additional information regarding recognized obligations from our licensing-related commitments.

The unrecognized amounts represented in the table above reflect our minimum cash obligations for the respective fiscal years, but do not necessarily represent the periods in which they will be recognized and expensed in our Consolidated Financial Statements. In addition, the amounts in the table above are presented based on the dates the amounts are contractually due as of March 31, 2015; however, certain payment obligations may be accelerated depending on the performance of our operating results. Up to $32 million of the unrecognized amounts in the table above may be payable, at the licensor's election, in shares of our common stock, subject to a $10 million maximum during any fiscal year. The number of shares to be issued will be based on fair market value at the time of issuance.

In addition to what is included in the table above, as of March 31, 2015, we had a liability for unrecognized tax benefits and an accrual for the payment of related interest totaling $68 million, of which we are unable to make a reasonably reliable estimate of when cash settlement with a taxing authority will occur.

Total rent expense for our operating leases was $97 million, $97 million and $94 million for the fiscal years ended March 31, 2015, 2014 and 2013, respectively.

Legal Proceedings

We are a defendant in several actions that allege we misappropriated the likenesses of various college athletes in certain of our college-themed sports games. In September 2013, we reached an agreement to settle all actions brought by college athletes against us. We recognized a $30 million accrual during the three months ended September 30, 2013 associated with the anticipated settlement. On September 3, 2014, the United States District Court for the Northern District of California granted preliminary approval of the settlement and set a hearing in July 2015, to determine whether to grant its final approval of the settlement.

On July 29, 2010, Michael Davis, a former NFL running back, filed a putative class action in the United States District Court for the Northern District of California against the Company, alleging that certain past versions of *Madden NFL* included the images of certain retired NFL players without their permission. In March 2012, the trial court denied the Company's request to dismiss the complaint on First Amendment grounds. In January 2015, that trial court decision was affirmed by the Ninth Circuit Court of Appeals and the case was remanded back to the district court. The Company intends to seek further court review.

On December 17, 2013, a purported shareholder class action lawsuit was filed in the United States District Court for the Northern District of California against the Company and certain of its officers by an individual purporting to represent a class of purchasers of EA common stock. A second purported shareholder class action lawsuit alleging substantially similar claims was subsequently filed in the same court. These lawsuits have been consolidated into one action. The lawsuits, which assert claims under Section 10(b) and 20(a) of the Securities Exchange Act of 1934, allege, among other things, that the Company and certain of its officers issued materially false and misleading statements regarding the rollout of the Company's *Battlefield 4* game. We filed a motion seeking dismissal of all claims on January 15, 2015 and on April 30, 2015, the court granted our motion to dismiss with prejudice.

We are also subject to claims and litigation arising in the ordinary course of business. We do not believe that any liability from any reasonably foreseeable disposition of such claims and litigation, individually or in the aggregate, would have a material adverse effect on our Consolidated Financial Statements.

(14) PREFERRED STOCK

As of March 31, 2015 and 2014, we had 10,000,000 shares of preferred stock authorized but unissued. The rights, preferences, and restrictions of the preferred stock may be designated by our Board of Directors without further action by our stockholders.

(15) STOCK-BASED COMPENSATION AND EMPLOYEE BENEFIT PLANS

Valuation Assumptions

We estimate the fair value of stock-based payment awards on the date of grant. We recognize compensation costs for stock-based payment awards to employees based on the grant-date fair value using a straight-line approach over the service period for which such awards are expected to vest. For awards with only service conditions that have a graded vesting schedule, we recognize compensation costs on a straight-line basis over the requisite service period for the entire award.

The determination of the fair value of market-based restricted stock units, stock options and ESPP is affected by assumptions regarding subjective and complex variables. Generally, our assumptions are based on historical information and judgment is required to determine if historical trends may be indicators of future outcomes. We determine the fair value of our stock-based payment awards as follows:

- *Restricted Stock Units, Restricted Stock, and Performance-Based Restricted Stock Units*. The fair value of restricted stock units, restricted stock, and performance-based restricted stock units (other than market-based restricted stock units) is determined based on the quoted market price of our common stock on the date of grant. Performance-based restricted stock units include grants made in connection with certain acquisitions.
- *Market-Based Restricted Stock Units*. Market-based restricted stock units consist of grants of performance-based restricted stock units to certain members of executive management that vest contingent upon the achievement of pre-determined market and service conditions (referred to herein as "market-based restricted stock units"). The fair value of our market-based restricted stock units is determined using a Monte-Carlo simulation model. Key assumptions for the Monte-Carlo simulation model are the risk-free interest rate, expected volatility, expected dividends and correlation coefficient.

- *Stock Options and Employee Stock Purchase Plan*. The fair value of stock options and stock purchase rights granted pursuant to our equity incentive plans and our 2000 Employee Stock Purchase Plan ("ESPP"), respectively, is determined using the Black-Scholes valuation model based on the multiple-award valuation method. Key assumptions of the Black-Scholes valuation model are the risk-free interest rate, expected volatility, expected term and expected dividends. The risk-free interest rate is based on U.S. Treasury yields in effect at the time of grant for the expected term of the option. Expected volatility is based on a combination of historical stock price volatility and implied volatility of publicly-traded options on our common stock. Expected term is determined based on historical exercise behavior, post-vesting termination patterns, options outstanding and future expected exercise behavior.

The estimated assumptions used in the Black-Scholes valuation model to value our stock option grants and ESPP were as follows:

	Stock Option Grants			ESPP		
	Year Ended March 31,			Year Ended March 31,		
	2015	2014	2013	2015	2014	2013
Risk-free interest rate	1.1 - 1.9%	1.6%	0.4 - 1.0%	.04 - 0.2%	0.1%	0.1 - 0.2%
Expected volatility	36 - 40%	37 - 42%	40 - 46%	30 - 35%	36 - 38%	35 - 42%
Weighted-average volatility	38%	37%	43%	34%	38%	38%
Expected term	4.5 years	4.5 years	4.4 years	6 - 12 months	6 - 12 months	6 - 12 months
Expected dividends	None	None	None	None	None	None

The estimated assumptions used in the Monte-Carlo simulation model to value our market-based restricted stock units were as follows:

	Year Ended March 31, 2015	Year Ended March 31, 2014	Year Ended March 31, 2013
Risk-free interest rate	0.9%	0.4%	0.2 - 0.4%
Expected volatility	16 - 79%	16 - 58%	17 - 116%
Weighted-average volatility	30%	31%	35%
Expected dividends	None	None	None

Stock-Based Compensation Expense

Employee stock-based compensation expense recognized during the fiscal years ended March 31, 2015, 2014 and 2013 was calculated based on awards ultimately expected to vest and has been reduced for estimated forfeitures. In subsequent periods, if actual forfeitures differ from those estimates, an adjustment to stock-based compensation expense will be recognized at that time.

The following table summarizes stock-based compensation expense resulting from stock options, restricted stock, restricted stock units, performance-based restricted stock units, market-based restricted stock units, and the ESPP included in our Consolidated Statements of Operations (in millions):

	Year Ended March 31,		
	2015	2014	2013
Cost of revenue	$ 2	$ 2	$ 2
Research and development	82	90	94
Marketing and sales	21	26	30
General and administrative	39	32	38
Stock-based compensation expense	$144	$150	$164

During the fiscal years ended March 31, 2015, 2014 and 2013, we did not recognize any benefit from income taxes related to our stock-based compensation expense.

As of March 31, 2015, our total unrecognized compensation cost related to stock options was $16 million and is expected to be recognized over a weighted-average service period of 2.2 years. As of March 31, 2015, our total unrecognized compensation cost related to restricted stock and restricted stock units (collectively referred to as "restricted stock rights") was $222 million and is expected to be recognized over a weighted-average service period of 1.3 years. Of the $222 million of unrecognized compensation cost, $12 million relates to market-based restricted stock units.

For fiscal years ended March 31, 2015 and 2014, we recognized $22 million and $13 million, respectively, of excess tax benefit from stock-based compensation deductions; this amount is reported in the financing activities on our Consolidated Statement of Cash Flows. For the fiscal year ended March 31, 2013, we recognized $1 million of tax expense from stock-based compensation, net of $1 million of deferred tax write-offs. There was no excess tax benefit related to stock-based compensation deductions reported in the financing activities on our Consolidated Statements of Cash Flows during the fiscal year ended March 31, 2013.

Summary of Plans and Plan Activity

Equity Incentive Plans

Our 2000 Equity Incentive Plan (the "Equity Plan") allows us to grant options to purchase our common stock and to grant restricted stock, restricted stock units and stock appreciation rights to our employees, officers and directors. Pursuant to the Equity Plan, incentive stock options may be granted to employees and officers and non-qualified options may be granted to employees, officers and directors, at not less than 100 percent of the fair market value on the date of grant.

A total of 19.2 million options or 13.4 million restricted stock units were available for grant under our Equity Plan as of March 31, 2015.

Stock Options

Options granted under the Equity Plan generally expire ten years from the date of grant and generally vest according to one of the following schedules:

- 35 month vesting with ⅓ cliff vesting after 11, 23 and 35 months or;
- 50 month vesting with 24% of the shares cliff vesting after 12 months and the ratably over the following 38 months.

The following table summarizes our stock option activity for the fiscal year ended March 31, 2015:

	Options (in thousands)	Weighted-Average Exercise Prices	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding as of March 31, 2014	5,311	$37.43		
Granted	1,248	35.79		
Exercised	(1,021)	23.76		
Forfeited, cancelled or expired	(618)	56.66		
Outstanding as of March 31, 2015	4,920	$37.44	5.41	$102
Vested and expected to vest	4,612	$37.82	5.17	$ 94
Exercisable as of March 31, 2015	3,006	$40.90	3.14	$ 52

The aggregate intrinsic value represents the total pre-tax intrinsic value based on our closing stock price as of March 31, 2015, which would have been received by the option holders had all the option holders exercised their options as of that date. The weighted-average grant date fair values of stock options granted during fiscal years 2015, 2014, and 2013 were $12.01, $8.61 and $4.64, respectively. The total intrinsic values of stock options exercised during fiscal years 2015 and 2014 were $22 million and $16 million, respectively, and immaterial for fiscal year 2013. We issue new common stock from our authorized shares upon the exercise of stock options.

The following table summarizes outstanding and exercisable stock options as of March 31, 2015:

	Options Outstanding				Options Exercisable		
Range of Exercise Prices	Number of Shares (in thousands)	Weighted-Average Remaining Contractual Term (in years)	Weighted-Average Exercise Prices	Potential Dilution	Number of Shares (in thousands)	Weighted-Average Exercise Prices	Potential Dilution
$11.53-$23.83	752	4.49	$19.17	0.2%	713	$19.32	0.2%
26.25-26.25	1,000	8.59	26.25	0.3%	320	26.25	0.1%
27.49-35.70	998	9.18	35.43	0.3%	9	27.49	—%
36.00-49.90	1,242	3.31	47.18	0.4%	1,036	49.19	0.3%
49.96-60.59	928	1.48	53.41	0.3%	928	53.41	0.3%
$11.53-$60.59	4,920	5.41	$37.44	1.5%	3,006	$40.90	0.9%

Potential dilution is computed by dividing the options in the related range of exercise prices by 310 million shares of common stock, which were issued and outstanding as of March 31, 2015.

Restricted Stock Rights

We grant restricted stock rights under our Equity Plan to employees worldwide. Restricted stock units entitle holders to receive shares of common stock at the end of a specified period of time. Upon vesting, the equivalent number of common shares is typically issued net of required tax withholdings, if any. Restricted stock is issued and outstanding upon grant; however, restricted stock award holders are restricted from selling the shares until they vest. Upon granting or vesting of restricted stock, as the case may be, we will typically withhold shares to satisfy tax withholding requirements. Restricted stock rights are subject to forfeiture and transfer restrictions. Vesting for restricted stock rights is based on the holders' continued employment with us. If the vesting conditions are not met, unvested restricted stock rights will be forfeited.

Generally, our restricted stock rights vest according to one of the following vesting schedules:

- One-year vesting with 100% cliff vesting at the end of one year;
- 35 month vesting with ⅓ cliff vesting after 11, 23 and 35 months;
- Three-year vesting with ⅓ cliff vesting at the end of each year;
- Three-year vesting with 100% cliff vesting at the end of year three;
- Three-year vesting with ½ cliff vesting after 18 and 36 months;
- Three-year vesting with ⅔ and ⅓ vesting cliff vesting after 24 and 36 months;
- Three-year vesting with ¼, 7⁄20, ⅕, and ⅕ of the shares cliff vesting respectively at the end of each of the first 6 months, 1st, 2nd, and 3rd years;
- Four-year vesting with ¼ cliff vesting at the end of each year or;
- Five-year vesting with ⅑, 2⁄9, 3⁄9, 2⁄9 and ⅑ of the shares cliff vesting respectively at the end of each of the 1st, 2nd, 3rd, 4th, and 5th years.

Each restricted stock right granted reduces the number of shares available for grant by 1.43 shares under our Equity Plan. The following table summarizes our restricted stock rights activity, excluding performance-based restricted stock unit activity which is discussed below, for the fiscal year ended March 31, 2015:

	Restricted Stock Rights (in thousands)	Weighted-Average Grant Date Fair Values
Balance as of March 31, 2014	13,536	$19.70
Granted	4,496	37.22
Vested	(5,727)	20.13
Forfeited or cancelled	(1,450)	23.64
Balance as of March 31, 2015	10,855	$26.20

The grant date fair value of restricted stock rights is based on the quoted market price of our common stock on the date of grant. The weighted-average grant date fair values of restricted stock rights granted during fiscal years 2015, 2014, and 2013 were $37.22, $23.01 and $12.85, respectively. The fair values of restricted stock rights that vested during fiscal years 2015, 2014, and 2013 were $209 million, $163 million and $102 million, respectively.

Performance-Based Restricted Stock Units

Our performance-based restricted stock units vest contingent upon the achievement of pre-determined performance-based milestones. If these performance-based milestones are not met, the performance-based restricted stock units will not vest, in which case, any compensation expense we have recognized to date will be reversed.

The following table summarizes our performance-based restricted stock unit activity for the fiscal year ended March 31, 2015:

	Performance-Based Restricted Stock Units (in thousands)	Weighted-Average Grant Date Fair Values
Balance as of March 31, 2014	54	$15.39
Vested	(49)	15.39
Forfeited or cancelled	(5)	15.39
Balance as of March 31, 2015	—	$ —

The grant date fair value of performance-based restricted stock units is based on the quoted market price of our common stock on the date of grant. There were no performance-based restricted stock units granted during fiscal years 2015, 2014, and 2013. The fair values of performance-based restricted stock units that vested during fiscal years 2015, 2014, and 2013 was immaterial.

Market-Based Restricted Stock Units

Our market-based restricted stock units vest contingent upon the achievement of pre-determined market and service conditions. If these market conditions are not met but service conditions are met, the market-based restricted stock units will not vest; however, any compensation expense we have recognized to date will not be reversed. The number of shares of common stock to be received at vesting will range from zero percent to 200 percent of the target number of market-based restricted stock units based on our total stockholder return ("TSR") relative to the performance of companies in the NASDAQ-100 Index for each measurement period, generally over a one-year, two-year cumulative and three-year cumulative period. In the table below, we present shares granted at 100 percent of target of the number of market-based restricted stock units that may potentially vest. The maximum number of common shares that could vest is approximately 0.4 million for market-based restricted stock units granted during the fiscal year 2015. As of March 31, 2015, the maximum number of shares that could vest is approximately 1.3 million for market-based restricted stock units outstanding.

The following table summarizes our market-based restricted stock unit activity for the year ended March 31, 2015:

	Market-Based Restricted Stock Units (in thousands)	Weighted-Average Grant Date Fair Value
Balance as of March 31, 2014	978	$24.83
Granted	193	48.14
Vested	(671)	22.01
Vested above target	192	17.20
Forfeited or cancelled	(29)	34.77
Balance as of March 31, 2015	663	$31.82

The weighted-average grant date fair values of market-based restricted stock units granted during fiscal years 2015, 2014, and 2013 were $48.14, $30.18, and $12.60, respectively. The fair values of market-based restricted stock units that vested during fiscal years 2015, 2014, and 2013 were $23 million, $7 million, and $2 million, respectively.

ESPP

Pursuant to our ESPP, eligible employees may authorize payroll deductions of between 2 percent and 10 percent of their compensation to purchase shares at 85 percent of the lower of the market price of our common stock on the date of commencement of the offering or on the last day of each six-month purchase period.

During fiscal year 2015, we issued approximately 1.4 million shares under the ESPP with exercise prices for purchase rights ranging from $22.64 to $32.16. During fiscal years 2015, 2014, and 2013, the estimated weighted-average fair values of purchase rights were $8.26, $4.67 and $4.83, respectively. The fair values were estimated on the date of grant using the Black-Scholes valuation model. We issue new common stock out of the ESPP's pool of authorized shares. As of March 31, 2015, 6.1 million shares were available for grant under our ESPP.

Deferred Compensation Plan

We have a Deferred Compensation Plan ("DCP") for the benefit of a select group of management or highly compensated employees and Directors, which is unfunded and intended to be a plan that is not qualified within the meaning of section 401(a) of the Internal Revenue Code. The DCP permits the deferral of the annual base salary and/or Director fees up to a maximum amount. The deferrals are held in a separate trust, which has been established by us to administer the DCP. The trust is a grantor trust and the specific terms of the trust agreement provide that the assets of the trust are available to satisfy the claims of general creditors in the event of our insolvency. The assets held by the trust are classified as trading securities and are held at fair value on our Consolidated Balance Sheets. The assets and liabilities of the DCP are presented in other assets and other liabilities on our Consolidated Balance Sheets, respectively, with changes in the fair value of the assets and in the deferred compensation liability recognized as compensation expense. The estimated fair value of the assets was $9 million as of March 31, 2015 and 2014. As of March 31, 2015 and 2014, $9 million was recorded to recognize undistributed deferred compensation due to employees.

401(k) Plan, Registered Retirement Savings Plan and ITP Plan

We have a 401(k) plan covering substantially all of our U.S. employees, a Registered Retirement Savings Plan covering substantially all of our Canadian employees, and an ITP pension plan covering substantially all our Swedish employees. These plans permit us to make discretionary contributions to employees' accounts based on our financial performance. We contributed an aggregate of $27 million, $16 million and $19 million to these plans in fiscal years 2015, 2014, and 2013, respectively.

Stock Repurchase Program

In July 2012, our Board of Directors authorized a program to repurchase up to $500 million of our common stock. We repurchased approximately 22 million shares in the open market under this program, including pursuant to pre-arranged stock trading plans.

In May 2014, a special committee of our Board of Directors, on behalf of the full Board of Directors, authorized a two-year program to repurchase up to $750 million of our common stock. This repurchase program superseded and replaced the stock repurchase authorization approved in July 2012. We repurchased approximately 8.3 million shares under this program during fiscal year 2015.

In May 2015, our Board of Directors authorized a new program to repurchase up to $1 billion of our common stock. This new stock repurchase program, which expires on May 31, 2017, supersedes and replaces the stock repurchase authorization approved in May 2014. Under this program, we may purchase stock in the open market or through privately-negotiated transactions in accordance with applicable securities laws, including pursuant to pre-arranged stock trading plans. The timing and actual amount of the stock repurchases will depend on several factors including price, capital availability, regulatory requirements, alternative investment opportunities and other market conditions. We are not obligated to repurchase any specific number of shares under this program and it may be modified, suspended or discontinued at any time. We continue to actively repurchase shares.

The following table summarizes total shares repurchased and retired during fiscal years 2015 and 2013:

	February 2011 Program		July 2012 Program		May 2014 Program		Total	
(In millions)	**Shares**	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**
Fiscal Year 2013 . . .	4	$71	22	$278	—	—	26	$349
Fiscal Year 2015 . . .	—	—	—	—	8	$337	8	$337

During fiscal year 2014, we did not repurchase any shares of our common stock.

(16) INTEREST AND OTHER INCOME (EXPENSE), NET

Interest and other income (expense), net, for the fiscal years ended March 31, 2015, 2014 and 2013 consisted of (in millions):

	Year Ended March 31,		
	2015	**2014**	**2013**
Interest expense	$(31)	$(30)	$(29)
Interest income	10	5	6
Net gain (loss) on foreign currency transactions	(62)	4	2
Net gain (loss) on foreign currency forward contracts	59	(5)	(2)
Other income, net	1	—	2
Interest and other income (expense), net	$(23)	$(26)	$(21)

(17) NET INCOME PER SHARE

The following table summarizes the computations of basic earnings per share ("Basic EPS") and diluted earnings per share ("Diluted EPS"). Basic EPS is computed as net income divided by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur from common shares issuable through stock-based compensation plans including stock options, restricted stock, restricted stock units, common stock through our ESPP, warrants, and other convertible securities using the treasury stock method.

(In millions, except per share amounts)	Year Ended March 31, 2015	2014	2013
Net income	$ 875	$ 8	$ 98
Shares used to compute net income per share:			
Weighted-average common stock outstanding — basic	311	308	310
Dilutive potential common shares related to stock award plans and from assumed exercise of stock options	9	8	3
Dilutive potential common shares related to the Notes	4	—	—
Dilutive potential common shares related to the Warrants	1	—	—
Weighted-average common stock outstanding — diluted	325	316	313
Net income per share:			
Basic	$2.81	$0.03	$0.32
Diluted	$2.69	$0.03	$0.31

For the fiscal years ended March 31, 2015, 2014 and 2013, stock options to purchase, restricted stock units and restricted stock to be released in the amount of 3 million shares, 4 million shares and 15 million shares, respectively, were excluded from the treasury stock method computation of diluted shares as their inclusion would have had an antidilutive effect.

For the fiscal years ended March 31, 2014 and 2013, potentially dilutive shares of common stock related to our 0.75% Convertible Senior Notes due 2016 issued during the fiscal year 2012, which have a conversion price of $31.74 per share and the associated Warrants, which have a conversion price of $41.14 per share, were excluded from the computation of Diluted EPS as their inclusion would have had an antidilutive effect resulting from the conversion price. The associated Convertible Note Hedge was excluded from the computation of diluted shares as the impact is always considered antidilutive. See Note 12 for additional information related to our 0.75% Convertible Senior Notes due 2016 and related Convertible Note Hedge and Warrants.

(18) SEGMENT INFORMATION

Our reporting segment is based upon: our internal organizational structure; the manner in which our operations are managed; the criteria used by our Chief Executive Officer, our Chief Operating Decision Maker ("CODM"), to evaluate segment performance; the availability of separate financial information; and overall materiality considerations. Our CODM currently reviews total company operating results to assess overall performance and allocate resources.

The following table summarizes the financial performance of our current segment operating profit and a reconciliation to our consolidated operating income for the fiscal years ended March 31, 2015, 2014 and 2013 (in millions):

	Year Ended March 31,		
	2015	2014	2013
Segment:			
Net revenue before revenue deferral	$ 4,319	$ 4,021	$ 3,793
Depreciation	(126)	(126)	(118)
Other expenses	(3,117)	(3,178)	(3,308)
Segment operating profit	1,076	717	367
Reconciliation to consolidated operating income:			
Other:			
Revenue deferral	(3,536)	(3,350)	(3,022)
Recognition of revenue deferral	3,732	2,904	3,026
Amortization of intangibles	(66)	(76)	(123)
Acquisition-related contingent consideration	3	35	64
Restructuring and other charges	—	1	(27)
Stock-based compensation	(144)	(150)	(164)
Loss on licensed intellectual property commitment	(122)	—	—
Other expenses	5	(48)	—
Consolidated operating income	$ 948	$ 33	$ 121

Our segment profit differs from consolidated operating income primarily due to the exclusion of (1) the deferral of net revenue related to online-enabled games (see Note 10 for additional information regarding deferred net revenue (online-enabled games)), (2) certain non-cash costs such as stock-based compensation, (3) acquisition-related expenses such as amortization of intangibles and acquisition-related contingent consideration, and (4) other significant non-recurring costs that may not be indicative of the company's core business, operating results or future outlook. Our CODM reviews assets on a consolidated basis and not on a segment basis.

Information about our total net revenue by revenue composition and by platform for the fiscal years ended March 31, 2015, 2014 and 2013 is presented below (in millions):

	Year Ended March 31,		
	2015	2014	2013
Packaged goods and other	$2,316	$1,742	$2,357
Digital	2,199	1,833	1,440
Net revenue	$4,515	$3,575	$3,797

	Year Ended March 31,		
	2015	2014	2013
Platform net revenue			
Xbox One, PlayStation 4	$1,505	$ 196	$ —
Xbox 360, PlayStation 3	1,485	1,779	2,262
Other consoles	21	30	63
Total consoles	3,011	2,005	2,325
PC / Browser	878	1,020	928
Mobile	504	400	339
Other	122	150	205
Net revenue	$4,515	$3,575	$3,797

Information about our operations in North America and internationally as of and for the fiscal years ended March 31, 2015, 2014 and 2013 is presented below (in millions):

	Year Ended March 31,		
	2015	2014	2013
Net revenue from unaffiliated customers			
North America	$1,956	$1,510	$1,701
International	2,559	2,065	2,096
Total	$4,515	$3,575	$3,797

	As of March 31,	
	2015	2014
Long-lived assets		
North America	$1,809	$1,940
International	474	470
Total	$2,283	$2,410

We attribute net revenue from external customers to individual countries based on the location of the legal entity that sells the products and/or services. Note that revenue attributed to the legal entity that makes the sale is often not the country where the consumer resides. For example, revenue generated by our Swiss legal entities includes digital revenue from consumers who reside outside of Switzerland, including consumers who reside outside of Europe. Revenue generated by our Swiss legal entities during fiscal years 2015, 2014, and 2013 represents $1,462 million, $1,171 million and $885 million or 32 percent, 33 percent and 23 percent of our total net revenue, respectively. Revenue generated in the United States represents over 99 percent of our total North America net revenue. There were no other countries with net revenue greater than 10 percent.

Our direct sales to GameStop Corp. represented approximately 11 percent, 13 percent, and 13 percent of total net revenue in fiscal years 2015, 2014, and 2013, respectively. In fiscal year 2015, our direct sales to Microsoft represented approximately 10 percent of total net revenue. Our direct sales to Microsoft did not exceed 10 percent of net revenue in fiscal years 2014 and 2013.

(19) QUARTERLY FINANCIAL AND MARKET INFORMATION (UNAUDITED)

(In millions, except per share data)	Quarter Ended June 30	September 30	December 31	March 31	Year Ended
Fiscal 2015 Consolidated					
Net revenue	$1,214	$ 990	$1,126	$1,185	$4,515
Gross profit	847	563	725	951	3,086
Operating income	362	24	162	400	948
Net income	335[(a)]	3[(a)]	142	395[(a)]	875
Common Stock					
Net income per share — Basic	$ 1.07	$ 0.01	$ 0.46	$ 1.27	$ 2.81
Net income per share — Diluted	$ 1.04	$ 0.01	$ 0.44	$ 1.19	$ 2.69
Common stock price per share					
High	$37.15	$38.42	$48.33	$58.24	$58.24
Low	$26.67	$33.31	$32.62	$45.96	$26.67
Fiscal 2014 Consolidated					
Net revenue	$ 949	$ 695	$ 808	$1,123	$3,575
Gross profit	755	282	291	900	2,228
Operating income (loss)	233	(252)	(292)	344	33
Net income (loss)	222[(b)]	(273)[(c)]	(308)[(d)]	367[(e)]	8
Common Stock					
Net income (loss) per share — Basic	$ 0.73	$ (0.89)	$ (1.00)	$ 1.18	$ 0.03
Net income (loss) per share — Diluted	$ 0.71	$ (0.89)	$ (1.00)	$ 1.15	$ 0.03
Common stock price per share					
High	$23.61	$27.99	$26.44	$30.25	$30.25
Low	$16.91	$23.18	$20.97	$21.54	$16.91

(a) Net income includes $(1) million of acquisition-related contingent consideration, of which is pre-tax amounts.

(b) Net income includes restructuring charges of $1 million and $7 million of acquisition-related contingent consideration, both of which are pre-tax amounts.

(c) Net loss includes restructuring charges of $(2) million and $(44) million of acquisition-related contingent consideration, both of which are pre-tax amounts.

(d) Net loss includes pre-tax restructuring charges of $(1) million.

(e) Net income includes restructuring charges of $1 million and $2 million of acquisition-related contingent consideration, both of which are pre-tax amounts.

Our common stock is traded on the NASDAQ Global Select Market under the symbol "EA". The prices for the common stock in the table above represent the high and low closing sales prices as reported on the NASDAQ Global Select Market.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Electronic Arts Inc.:

We have audited the accompanying consolidated balance sheets of Electronic Arts Inc. and subsidiaries (the Company) as of March 28, 2015 and March 29, 2014, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the years in the three-year period ended March 28, 2015. In connection with our audits of the consolidated financial statements, we have also audited the accompanying financial statement schedule. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Electronic Arts Inc. and subsidiaries as of March 28, 2015 and March 29, 2014, and the results of their operations and their cash flows for each of the years in the three-year period ended March 28, 2015, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Electronic Arts Inc.'s internal control over financial reporting as of March 28, 2015, based on criteria established in *Internal Control — Integrated Framework (2013),* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated May 21, 2015 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Santa Clara, California
May 21, 2015

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Electronic Arts Inc.:

We have audited Electronic Arts Inc.'s (the Company) internal control over financial reporting as of March 28, 2015, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Electronic Arts Inc. maintained, in all material respects, effective internal control over financial reporting as of March 28, 2015, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Electronic Arts Inc. and subsidiaries as of March 28, 2015 and March 29, 2014, and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the years in the three-year period ended March 28, 2015. In connection with our audits of the consolidated financial statements, we have also audited the accompanying financial statement schedule. Our report dated May 21, 2015 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Santa Clara, California
May 21, 2015

Item 9: ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

Not applicable.

Item 9A: ***Controls and Procedures***

Definition and Limitations of Disclosure Controls

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act, such as this report, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures are also designed to ensure that such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Our management evaluates these controls and procedures on an ongoing basis.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures. These limitations include the possibility of human error, the circumvention or overriding of the controls and procedures and reasonable resource constraints. In addition, because we have designed our system of controls based on certain assumptions, which we believe are reasonable, about the likelihood of future events, our system of controls may not achieve its desired purpose under all possible future conditions. Accordingly, our disclosure controls and procedures provide reasonable assurance, but not absolute assurance, of achieving their objectives.

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and our Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures, believe that as of the end of the period covered by this report, our disclosure controls and procedures were effective in providing the requisite reasonable assurance that material information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding the required disclosure.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act.

Our internal control over financial reporting is designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. There are inherent limitations to the effectiveness of any system of internal control over financial reporting. These limitations include the possibility of human error, the circumvention or overriding of the system and reasonable resource constraints. Because of its inherent limitations, our internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with our policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal control over financial reporting as of the end of our most recently completed fiscal year. In making its assessment, management used the criteria set forth in *Internal Control — Integrated Framework (2013),* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, our management believes that, as of the end of our most recently completed fiscal year, our internal control over financial reporting was effective.

KPMG LLP, our independent registered public accounting firm, has issued an auditors' report on the effectiveness of our internal control over financial reporting. That report appears on page 89.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting identified in connection with our evaluation that occurred during the fiscal quarter ended March 31, 2015 that has materially affected or is reasonably likely to materially affect our internal control over financial reporting. In May 2013, the Committee of Sponsoring Organizations of the Treadway Commission (COSO) published an updated Internal Control — Integrated Framework (2013) and related illustrative documents. The Company adopted the new framework during the fiscal year ended March 31, 2015.

Item 9B: *Other Information*

None.

PART III

Item 10: ***Directors, Executive Officers and Corporate Governance***

The information required by Item 10, other than the information regarding executive officers, which is included in Item 1 of this report, is incorporated herein by reference to the information to be included in our Proxy Statement for our 2015 Annual Meeting of Stockholders (the "Proxy Statement") under the headings "Board of Directors and Corporate Governance," and "Report of the Audit Committee of the Board of Directors." The information regarding Section 16 compliance is incorporated herein by reference to the information to be included in the Proxy Statement under the heading "Section 16(a) Beneficial Ownership Reporting Compliance."

Item 11: ***Executive Compensation***

The information required by Item 11 is incorporated herein by reference to the information to be included in the Proxy Statement, under the headings "Compensation of Directors," "Compensation Discussion and Analysis," "Compensation Committee Report on Executive Compensation" and "Compensation Committee Interlocks and Insider Participation."

Item 12: ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required by Item 12 is incorporated herein by reference to the information to be included in the Proxy Statement under the headings "Equity Compensation Plan Information" and "Security Ownership of Certain Beneficial Owners and Management."

Item 13: ***Certain Relationships and Related Transactions, and Director Independence***

The information required by Item 13 is incorporated herein by reference to the information to be included in the Proxy Statement under the headings "Director Independence," "Global Code of Conduct and Corporate Governance Guidelines" and "Certain Relationships and Related Person Transactions."

Item 14: ***Principal Accounting Fees and Services***

The information required by Item 14 is incorporated herein by reference to the information to be included in the Proxy Statement under the heading "Proposal 3: Ratification of the Appointment of KPMG LLP, Independent Registered Public Accounting Firm."

PART IV

Item 15: ***Exhibits, Financial Statement Schedules***

(a) Documents filed as part of this report

1. Financial Statements: See Index to Consolidated Financial Statements under Item 8 on Page 47 of this report.

2. Financial Statement Schedule: See Schedule II on Page 93 of this report.

3. Exhibits: The exhibits listed in the accompanying index to exhibits on Page 94 are filed or incorporated by reference as part of this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ELECTRONIC ARTS INC.

By: /s/ Andrew Wilson

Andrew Wilson
Chief Executive Officer
Date: May 21, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated and on the 21st of May 2015.

Name	Title
/s/ Andrew Wilson Andrew Wilson	Chief Executive Officer
/s/ Blake Jorgensen Blake Jorgensen	Executive Vice President, Chief Financial Officer
/s/ Kenneth A. Barker Kenneth A. Barker	Senior Vice President, Chief Accounting Officer (Principal Accounting Officer)
Directors:	
/s/ Lawrence F. Probst III Lawrence F. Probst III	Chairman of the Board
/s/ Leonard S. Coleman Leonard S. Coleman	Director
/s/ Jay C. Hoag Jay C. Hoag	Director
/s/ Jeffrey T. Huber Jeffrey T. Huber	Director
/s/ Vivek Paul Vivek Paul	Director
/s/ Richard A. Simonson Richard A. Simonson	Director
/s/ Luis A. Ubiñas Luis A. Ubiñas	Director
/s/ Denise F. Warren Denise F. Warren	Director
/s/ Andrew Wilson Andrew Wilson	Director

ELECTRONIC ARTS INC. AND SUBSIDIARIES

SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS

Years Ended March 31, 2015, 2014 and 2013
(In millions)

Allowance for Doubtful Accounts, Price Protection and Returns	Balance at Beginning of Period	Charged to Revenue, Costs and Expenses	Charged (Credited) to Other Accounts[a]	Deductions[b]	Balance at End of Period
Year Ended March 31, 2015	$186	361	(66)	(341)	$140
Year Ended March 31, 2014	$200	321	37	(372)	$186
Year Ended March 31, 2013	$252	374	(7)	(419)	$200

(a) Primarily other reclassification adjustments and the translation effect of using the average exchange rate for expense items and the year-end exchange rate for the balance sheet item (allowance account).

(b) Primarily the utilization of returns allowance and price protection reserves.

Annual Report

ELECTRONIC ARTS INC.

2015 FORM 10-K ANNUAL REPORT

EXHIBIT INDEX

Number	Exhibit Title	Incorporated by Reference Form	File No.	Filing Date	Filed Herewith
3.01	Amended and Restated Certificate of Incorporation	10-Q	000-17948	11/3/2004	
3.02	Amended and Restated Bylaws	8-K	000-17948	8/1/2013	
4.01	Specimen Certificate of Registrant's Common Stock	10-K	000-17948	5/22/2009	
4.02	Indenture (including form of Notes) with respect to EA's 0.75% Convertible Senior Notes due 2016 dated as of July 20, 2011 by and between EA and U.S. Bank National Association	8-K	000-17948	7/20/2011	
10.01*	Form of Indemnity Agreement with Directors	10-K	000-17948	6/4/2004	
10.02*	Electronic Arts Inc. Executive Bonus Plan	8-K	000-17948	7/27/2012	
10.03*	Electronic Arts Inc. Deferred Compensation Plan	10-Q	000-17948	8/6/2007	
10.04*	Electronic Arts Inc. Key Employee Continuity Plan	10-Q	000-17948	2/5/2013	
10.05*	First Amendment to the Electronic Arts Deferred Compensation Plan, as amended and restated	10-K	000-17948	5/22/2009	
10.06*	EA Bonus Plan	10-Q	000-17948	11/8/2010	
10.07*	Form of 2012 Performance-Based Restricted Stock Unit Agreement	8-K	000-17948	5/18/2012	
10.08*	Form of 2013 Performance-Based Restricted Stock Unit Agreement	8-K	000-17948	5/16/2013	
10.09*	Form of 2014 Performance-Based Restricted Stock Unit Agreement	10-K	000-17948	5/21/2014	
10.10*	EA Bonus Plan Fiscal Year 2015 Addendum	8-K	000-17948	6/4/2014	
10.11*	2000 Equity Incentive Plan, as amended, and related documents	8-K	000-17948	8/1/2013	
10.12*	2000 Employee Stock Purchase Plan, as amended	8-K	000-17948	8/1/2013	
10.13*	Offer Letter for Employment at Electronic Arts Inc. to Andrew Wilson, dated September 15, 2013	8-K	000-17948	9/17/2013	
10.14*	Offer Letter for Employment at Electronic Arts Inc. to Blake Jorgensen, dated July 25, 2012	8-K	000-17948	7/31/2012	
10.15*	Offer Letter for Employment at Electronic Arts Inc. to Ken Moss, dated June 6, 2014	10-Q	000-17948	8/5/2014	
10.16*	Offer Letter for Employment at Electronic Arts Inc. to Chris Bruzzo, dated July 21, 2014	10-Q	000-17948	11/4/2014	
10.17*	Employment Agreement for Patrick Söderlund, dated September 17, 2013	10-Q	000-17948	11/5/2013	

Number	Exhibit Title	Incorporated by Reference Form	File No.	Filing Date	Filed Herewith
10.18	Lease agreement between ASP WT, L.L.C. and Tiburon Entertainment, Inc. for space at Summit Park I, dated June 15, 2004	10-Q	000-17948	8/3/2004	
10.19	First amendment to lease, dated December 13, 2005, by and between Liberty Property Limited Partnership, a Pennsylvania limited partnership and Electronic Arts — Tiburon, a Florida corporation f/k/a Tiburon Entertainment, Inc.	10-Q	000-17948	2/8/2006	
10.20	Second Amendment to Lease, dated May 8, 2009, by and between Liberty Property Limited Partnership, a Pennsylvania limited partnership and Electronic Arts — Tiburon, a Florida corporation f/k/a Tiburon Entertainment, Inc.	10-Q	000-17948	8/10/2009	
10.21	Third amendment to lease, dated December 24, 2009, by and between Liberty Property Limited Partnership, a Pennsylvania limited partnership and Electronic Arts — Tiburon, a Florida corporation f/k/a Tiburon Entertainment, Inc.	10-Q	000-17948	2/9/2010	
10.22	Fourth Amendment to lease, dated May 16, 2014, by and between Liberty Property Limited Partnership, a Pennsylvania limited partnership and Electronic Arts — Tiburon, a Florida corporation f/k/a Tiburon Entertainment, Inc.	10-K	000-17948	5/21/2014	
10.23**	First Amended North American Territory Rider to the Global PlayStation®3 Format Licensed Publisher Agreement, dated September 11, 2008, by and between the Electronic Arts Inc. and Sony Computer Entertainment America Inc.	10-Q	000-17948	11/10/2009	
10.24**	Sony Computer Entertainment Europe Limited Regional Rider to the Global PlayStation®3 Format Licensed Publisher Agreement, dated December 17, 2008, by and between EA International (Studio and Publishing) Limited and Sony Computer Entertainment Europe Limited	10-Q	000-17948	11/10/2009	
10.25**	Global PlayStation®3 Format Licensed Publisher Agreement, dated September 11, 2008, by and between the Electronic Arts Inc. and Sony Computer Entertainment America Inc.	10-Q/A	000-17948	4/30/2010	
10.26**	Global PlayStation®3 Format Licensed Publisher Agreement, dated December 17, 2008, by and between EA International (Studio and Publishing) Limited and Sony Computer Entertainment Europe Limited	10-Q/A	000-17948	4/30/2010	
10.27**	Xbox2 Publisher License Agreement, dated May 15, 2005, by and among Electronic Arts Inc., Electronic Arts C.V. and Microsoft Licensing, GP	10-Q/A	000-17948	4/30/2010	

Number	Exhibit Title	Incorporated by Reference			Filed Herewith
		Form	File No.	Filing Date	
10.28**	Durango Publisher License Agreement, dated June 29, 2012, by and among Electronic Arts Inc., EA International (Studio & Publishing) Ltd., Microsoft Licensing, GP and Microsoft Corporation	10-K	000-17948	5/21/2014	
10.29	Form of Call Option Agreement dated as of July 14, 2011 between EA and each Option Counterparty	8-K	000-17948	7/20/2011	
10.30	Form of Warrant Agreement dated July 14, 2011 between EA and each Option Counterparty	8-K	000-17948	7/20/2011	
10.31	Form of Additional Call Option Agreement dated July 18, 2011 between EA and each Option Counterparty	8-K	000-17948	7/20/2011	
10.32	Form of Additional Warrant Agreement dated as of July 18, 2011 between EA and each Option Counterparty	8-K	000-17948	7/20/2011	
10.33	Credit Agreement, dated March 19, 2015, by and among Electronic Arts Inc., the lenders from time to time party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent	8-K	000-17948	3/20/2015	
21.01	Subsidiaries of the Registrant				X
23.01	Consent of KPMG LLP, Independent Registered Public Accounting Firm				X
31.01	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
31.02	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
Additional exhibits furnished with this report:					
32.01	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
32.02	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
101.INS†	XBRL Instance Document				X
101.SCH†	XBRL Taxonomy Extension Schema Document				X
101.CAL†	XBRL Taxonomy Extension Calculation Linkbase Document				X
101.DEF†	XBRL Taxonomy Extension Definition Linkbase Document				X
101.LAB†	XBRL Taxonomy Extension Label Linkbase Document				X
101.PRE†	XBRL Taxonomy Extension Presentation Linkbase Document				X

* Management contract or compensatory plan or arrangement.

** Confidential portions of these documents have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment that was granted in accordance with Exchange Act Rule 24b-2.

† Attached as Exhibit 101 to this Annual Report on Form 10-K for the year ended March 31, 2015 are the following formatted in eXtensible Business Reporting Language ("XBRL"): (1) Consolidated Balance Sheets, (2) Consolidated Statements of Operations, (3) Consolidated Statements of Comprehensive Income (Loss), (4) Consolidated Statements of Stockholders' Equity, (5) Consolidated Statements of Cash Flows, and (6) Notes to Consolidated Financial Statements.

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