Tricia:

Welcome to our fourth quarter fiscal 2008 earnings call.

Today on the call we have John Riccitiello – Chief Executive Officer; Eric Brown – Chief Financial Officer, John Pleasants – Chief Operating Officer; and Frank Gibeau – President of EA Games.

Before we begin, I'd like to remind you that you may find copies of our SEC filings, our earnings release and a replay of the webcast on our web site at investor.ea.com. Shortly after the call we will post a copy of our prepared remarks on our website. Throughout this call we will present both GAAP and non-GAAP financial measures. Non-GAAP measures exclude charges and related income tax effects associated with:

- acquired in-process technology,
- amortization of intangibles,
- certain litigation expenses,
- losses on strategic investments,
- restructuring charges,
- stock-based compensation and
- the impact of the change in deferred net revenue related to packaged goods and digital content.

In addition, the Company's non-GAAP results exclude the impact of certain one-time income tax adjustments.

Our earnings release provides a reconciliation of our GAAP to non-GAAP measures. In addition, we include a detailed GAAP to non-GAAP reconciliation on our website. These non-GAAP measures are not intended to be considered in isolation from – a substitute for – or superior to – our GAAP results – and we encourage investors to consider all measures before making an investment decision. All comparisons made in the course of this call are against the same period for the prior year – unless otherwise stated. All references to "current generation systems" include the Xbox 360, the PS3 and the Wii. We refer to the PS2, Xbox and GameCube as "legacy systems".

We have also included our trailing twelve month platform shares in a supplemental schedule on our website.

During the course of this call – we may make forward-looking statements regarding future events and the future financial performance of the Company. We caution you that actual events and results may differ materially. We refer you to our most recent Form 10-K and 10-Q for a discussion of risk factors that could cause our actual results to differ materially from those discussed today. We make these statements as of May 13, 2008 and disclaim any duty to update them.

Now I would like to turn the call over to John.

John:

Thanks, Tricia. Before I begin – I would like to welcome both John Pleasants and Eric Brown to Electronic Arts. I am thrilled they have decided to join EA and partner with me and the executive team at this exciting time. John Pleasants is our Chief Operating Officer and President of Global Publishing – he's been with EA for two months – and has spent much of that time on the road meeting our customers and teams around the world. For Eric Brown -- it's great to have him back at EA as our CFO. Before moving on -- I would also like to thank Warren Jenson for his many contributions over the last six years – we wish him all the best.

Now -- let me touch briefly on our agenda today –

- I will start with a strategic update and will lay out our priorities and goals for Fiscal 09.
- Eric will discuss our Q4 and FY08 results and provide our detailed guidance for FY09.
- Frank Gibeau will discuss progress and plans for the EA Games Label.
- Finally – I'll wrap up with a few closing thoughts.
- Then – Eric, Frank, John and I will be happy to take your questions.

When I returned to EA, we said fiscal 2008 would be a year of fundamental change and we would exit with an enhanced financial trajectory.

On our May 2007 call, we laid out four strategic objectives for EA, which we developed further throughout the year and for our Feb 12, 2008 Analyst Day briefing. The priorities we laid out one year ago were --

First – to grow our segment shares. To return EA to being a growth company after three years of flat sales. We suggested that we would be making some organizational changes to improve our ability to develop the world's best and most innovative games and to launch them successfully. We set out specific guidance of adding $500 M to $700 M to EA's top-line.

Second – we talked about the need to deliver leverage in our P&L. To drive our operating margins up through a combination of tighter cost management and more productive R&D. We said we would have a clear sense of our improved margin trajectory toward the end of fiscal 2008. The specific goal we laid out for FY08 EPS was a range of $0.90 to $1.20, which we reduced by 5 cents as a result of our acquisition of BioWare and Pandemic Studios.

Third – we talked about growing our digital businesses aggressively. By digital we mean our direct to consumer business models that cut across our entire portfolio, including our pure digital businesses like Pogo and mobile and also micro-transaction based games, in-game advertising and infrastructure that will enable direct-to-consumer monetization for many of our titles in the coming years.

These investments are important to EA's long-term strategy.

Fourth -- we talked about making smart M&A a core part of our business and strategy and suggested that we'd make acquisitions, partnerships and investments that either add important IP and development teams to our core business and/or add to our strategic growth initiatives in Asia, Casual and in digital/direct-to-consumer.

I believe the focus on these four strategic objectives was clear in nearly all we did in fiscal 08.

On our objective to reignite growth, we introduced a new label organization structure to the company. We launched a number of new intellectual properties including MySims, ARMY OF TWO, SKATE and The Simpsons Game. We added multi-year partnerships with Harmonix/MTV and Hasbro that will add to our growth for years to come. And, we made some tough calls to hold titles for quality reasons, the right decisions for the long-term. Best of all, we added nearly $1B in non-GAAP top-line growth* in fiscal 08.

On the cost leverage side, we made moves to reduce cost by closing our Chicago and Chertsey UK facilities. We shifted headcount to low-cost locations and increased focus on low-cost outsourcing. And, at our Analyst Day in February, we laid out plans to dramatically ramp our operating margins.

FY08 also saw big moves for EA on the digital / direct to consumer side. We launched FIFA Online Two, reversed a weak trend in our mobile business, expanded our Pogo business, and announced a number of exciting new initiatives with Battlefield Heroes, our first global micro-transaction based game.

And, lastly, regarding smart M&A, we completed the acquisition of the Bioware and Pandemic Studios bringing to EA 10 new properties that are now in development.

Net -- FY08 was a year in which we exceeded our top-line and delivered within our bottom line guidance range.

Our focus in FY09 will be on execution and proving we can drive margin growth consistent with the plans we presented to many of you in February.

We have ambitious goals for fiscal 09.

- In fiscal 2009 -- we expect to add $1 BN in non-GAAP revenue*. In achieving this target, we will have added $2B to EA's revenues between fiscal 08 and fiscal 09. This would be the most aggressive growth in EA's history.
- We are also targeting to increase our non-GAAP operating income by roughly 100%. In doubling our operating income versus FY08, we intend to deliver the margin leverage we first discussed a year ago and detailed at our Analyst Day.

Our fiscal 2009 operating plan keeps us on track to achieve our fiscal 2011 targets and does not include any contribution from Take-Two.

What gives me confidence in these targets? Simply put, my belief in our teams and the quality of the products we will be introducing in fiscal year 09.

Our Label structure and newly energized publishing teams will be introducing the strongest title line-up in EA's history, including --

- EA Sports –Madden – our 20th anniversary edition -- stepping forward with an entirely new way to play and learn the game involving a new holographic interface. NBA Live looks to be the strongest entry we've had in basketball in years -- we'll be introducing a huge step up with a feature set we will be unveiling at E3. And, we're launching an entirely new wholly-owned IP called Face Breaker – our first new IP from EA Sports since 2002. We're also introducing Wii All-Play editions of NCAA, Madden, Tiger, NBA and FIFA which takes last year's family play idea to an entirely new level. FY09 promises to be a great year for EA Sports.

- EA Casual Entertainment – We're leveraging the Hasbro partnership across the board -- in our Pogo business, in mobile and in packaged goods, and with a particular focus on the Wii. Last week we launched a new IP we developed with Steven Spielberg, Boom Blox for the Wii – with a metacritic rating of 85 – making it one of the highest rated Wii games. And later in the year, our Harry Potter game is shipping with the movie, in the all important holiday quarter.

- The Sims Label – This team is on a roll. We're adding richly to our top performing new IP in FY08, MySims, with two sequels. We're also introducing a new IP, SimAnimals, and launching the highly anticipated Sims 3.

- From EA Games – we've got an incredible line-up. It is where we expect our greatest revenue growth driven by Spore, Need For Speed, Dead Space and many more. Frank Gibeau will talk to you in a bit about key initiatives and more about the new titles coming from his Label.

I hope you can understand why I am excited about EA's FY09. I believe it is the best and most exciting title plan in EA's history. We look forward to lighting up our consumers in the year ahead.

With that – let me pass it to Eric to take us through our financial results and outlook.

Eric:

Thank you, John. Good afternoon everyone. Before I begin – let me say that I'm very happy to be back at Electronic Arts. I look forward to partnering with the entire EA team to drive profitable growth in the years ahead.

Now – on to our results:

Our 4th quarter performance exceeded our expectations – both on the top and bottom line.

For the quarter –

GAAP revenue was $1.127 BN vs. $613 M a year ago -- representing an increase of 84%. $208 M of the GAAP revenue increase was due to the fact this was the first quarter where we had a net benefit from the deferred revenue rollout.

GAAP diluted loss per share was ($0.30) vs. a loss of ($0.08) a year ago.

Non-GAAP revenue*, which excludes the impact of the revenue deferral, was a fiscal 4th quarter record of $919 M – up 50% year-over-year or $306 M.

Non-GAAP diluted earnings per share* were $0.09 vs. $0.06 last year.

During the quarter – several titles stood out.

- ARMY OF TWO sold over 1.8 M copies exceeding our expectations. We are pleased to have added another successful wholly-owned franchise to our portfolio. Congratulations to our Montreal team!
- Burnout Paradise from EA's Criterion studio – with a strong average metacritic rating of 88 on the PS3 and Xbox 360 -- sold 1.5 M copies. Sell thru at retail is up relative to last year's Burnout Revenge despite being available on one less platform.
- FIFA Street 3 sold over 800 K copies in the quarter.
- In addition, Rock Band continued to gain momentum. During the quarter – Rock Band sold over 1.5 M copies. It competed head to head with Guitar Hero 3 – garnering roughly 50% of the units on the Xbox 360 and PS3 at retail in North America at a higher price point.

For the full year –

- GAAP revenue was $3.665 BN vs. $3.091 BN up 19% year-over-year.
- GAAP loss per share was ($1.45) – vs. GAAP earnings per share of $0.24 a year ago. Please note that FY08 was the first year where we implemented the revenue deferral for our online-enabled packaged goods.
- Non-GAAP Revenue* was a record $4.020 BN – up 30%. Surpassing $4 BN – is a record for any third-party software company.
- Non-GAAP EPS* was $1.06 – up 36% year-over-year.

Let me touch on a few highlights from FY08 –

- Our top ten titles in FY08 were Rock Band, FIFA 08, Madden NFL 08, Need for Speed Pro Street, The Simpsons Game, Tiger Woods PGA Golf 08, Harry Potter and the Order of the Phoenix, MySims, NBA Live 08 and ARMY OF TWO.
- This year we successfully launched six brand new wholly-owned games – two of which hit our top ten for the year -- MySims and ARMY OF TWO. In addition – we launched SKATE, Boogie, Playground and Smarty Pants.
- On the Wii and NDS we shipped 14 SKUs for each platform during the year. This resulted in share gains on the Nintendo platforms of 1 and 8 points in North America and Europe, respectively.
- For the year we had 27 platinum titles up from 24 a year ago.
- We strengthened our share position as the year progressed and ended the fiscal year as the number one publisher in both North America and Europe.
- We continued to see growth in digital / direct to consumer. For the year -- our digital revenue reached a record $342 M – up over 25%
- Our Pogo business has surpassed the $100 M mark in revenue with 1.6 million subscribers – congratulations to our Pogo team!
- Our wireless business delivered 7% annual growth – overcoming weakness at the front of the year.

I would now like to spend some time discussing the last quarter in more detail. Please note that all of the following references to 4th quarter revenue will relate to non-GAAP revenue, which excludes the impact of the revenue deferral.

Q4 Results.

Non-GAAP Revenue* was $919 M – up 50% from a year ago. Excluding the impact of foreign exchange – revenue increased 46%. Our Q4 revenue was primarily driven by the launches of ARMY OF TWO and Burnout Paradise as well as the continued strength of Rock Band.

During the quarter, EA was the leader across all platforms – we had 21% share in North America – up 5 points from a year ago. In Europe – we had 18% share -- up 1 point versus last year.

Console non-GAAP revenue* was $380 M – up 28%. Current generation non-GAAP revenue* was $327 M – or 86% of the total. The PS3 was our best performing console with $138 M, up 165% year-over-year. Revenue from the Wii and Xbox 360 were each up more than 50%. The PS2 was down as expected; during the quarter – we did not release any titles for the PS2.

Handheld non-GAAP revenue* was $83 M – up 20%.

- NDS non-GAAP revenue* was $36 M -- up 33% primarily due to catalog sales of The Sims franchise and The Simpsons.
- PSP non-GAAP revenue* was $47 M – up 21% primarily due to the launch of Need for Speed ProStreet.

Mobile phone revenue was $41 M – up 14% due to growth in Europe. We had three of the top-ten games in North America** and two of the top-ten in the UK**.

PC non-GAAP revenue* was $92 M – down 28% principally due to the strength of last year's launch of Command and Conquer 3 Tiberium Wars.

Co-Publishing and Distribution non-GAAP revenue* was $271 M – up 6x from last year primarily due to Rock Band.

Internet, Licensing, Advertising and Other non-GAAP revenue* was $52 M – up 41% primarily due to dynamic in-game advertising and Pogo micro-transactions.

By geography:

North America non-GAAP revenue* was $544 M – up $237 M – or 77% primarily due to growth in co-publishing and distribution revenue.

International non-GAAP revenue* was $375 M – up $69 M – or 23%. Excluding a $26 M positive impact from foreign exchange vs. last year – international non-GAAP revenue* would have increased 14%.

- **Europe non-GAAP revenue* was $318 M – up $54 M or 20%** driven by Burnout Paradise, ARMY OF TWO and FIFA Street 3. Excluding a $21 M benefit from foreign exchange vs. last year – Europe non-GAAP revenue* would have increased 12%.
- **Asia non-GAAP revenue* was $57 M – up $15 M or 36%.**

Moving to the rest of the income statement.

GAAP Gross Profit in the quarter was $665 M – up 76% primarily due to the benefit from the deferred revenue rollout and greater overall net revenue.

GAAP Gross Margin was 59.0% vs. 61.6% – down 2.6 points due to a higher mix of co-publishing and distribution revenue partially offset by the deferred revenue rollout.

Non-GAAP Gross Profit* was $463 M – up 20% year-over-year.

Non-GAAP Gross Margin* was 50.4% vs. 63.0% – down 12.6 points due to a higher mix of co-publishing and distribution revenue. Please note that EA Partner revenue meaningfully contributed to our operating income.

Operating Expenses.

Marketing and Sales. Non-GAAP marketing and sales expense* was $123 M – up $10 M primarily due to an increase in personnel-related costs. Excluding the impact of co-publishing and distribution revenue – sales and marketing was 19% of non-GAAP revenue – down one point from a year ago.

General and Administrative. Non-GAAP G&A* was $80 M – up $21 M. The increase was driven by higher contracted services costs related to finance and IT projects and the VGH integration and higher personnel-related costs.

Research and Development. Non-GAAP R&D* was $285 M – up $45 M – including $32 M related to our acquisition of VGH.

R&D headcount ended the year at roughly 6,900 – up approximately 1,000 from a year ago. Our acquisition of BioWare and Pandemic Studios added 775 people and the remainder of the increase came primarily from lower cost locations – India, Romania, Montreal and China. Today -- approximately 16% of our R&D headcount is in a low cost location – up 4 points from the prior year.

Below the Operating Income line.

Non-GAAP* Other income and expense was $7 M – down $23 M from a year ago and down $25 M sequentially. The cause of the reduction was FX losses and a decline in interest income.

Income Taxes. We realized a non-GAAP tax benefit* of approximately $48 M in the quarter – resulting in a full-year tax rate that is lower than our Q3 year-to-date rate.

GAAP Diluted Loss per Share was ($0.30) vs. diluted loss per share of ($0.08) a year ago.

Non-GAAP Diluted Earnings per Share* were $0.09 vs. $0.06 a year ago.

Our FY08 full year operating cash flow was $338 M vs. $397 M for last year. The decline was due to the increased working capital requirements related to the growth in our business.

Turning to the Balance Sheet.

Cash and short term investments were $2.3 BN at year end – down $296 M from last quarter as we spent $607 M for our acquisition of BioWare and Pandemic Studios.

Marketable equity securities and Other Investments were $750 M at year end – down $116 M sequentially.

During the quarter – we recognized a pre-tax loss of $106 M in the P&L related to our investments in The9 and Neowiz. At quarter end – after the write down -- we had a net unrealized gain of $496 M – comprised of a $501 M gain on Ubisoft and a $5 M loss on Neowiz.

Gross accounts receivable were $544 M vs. $470 M a year ago – an increase of 16% primarily due to the growth in revenue partially offset by a greater portion of Q4 revenue being recognized earlier in the quarter versus last year and stronger collection efforts.

Reserves against outstanding receivables totaled $238 M – up $24 M from a year ago. Reserve levels were 9% of trailing six month non-GAAP revenue – down two points. As a percentage of trailing nine month non-GAAP revenue – reserves were 7% – down one point.

Inventory was $168 M – up $106 M from last year – primarily due to the build in Rock Band inventory for North America and the upcoming launch in Europe.

Goodwill and intangible assets were $1.4 BN – up $510 M sequentially. During the quarter we recorded $528 M related to our acquisition of BioWare and Pandemic Studios. Of this amount -- $414 M is classified as goodwill and $114 M relates to identifiable intangible assets. The intangibles will be amortized to the P&L over 3 to 5 years.

Ending deferred net revenue from packaged goods and digital content was $387 M – down $208 M sequentially primarily due to the rollout of deferred net revenue.

Now to our Outlook –

Let's start with the industry. We expect that combined software sales in North America and Europe will grow 15% to 20% in calendar 2008. This increase, relative to our prior statements, is primarily driven by our higher hardware expectations for the Wii and NDS.

In Mobile – we expect global industry growth of over 15 percent.

Guidance.

Before I provide our FY09 financial guidance – I would like to highlight changes to our guidance methodology and provide context.

First – we are only providing annual guidance from this point forward.

Let me explain why. As you know, our business is hit driven, seasonal and significantly impacted by the release dates for our titles. This creates uneven quarterly comparisons, both sequentially and year-over-year. If we delay a title for quality reasons from one quarter to another in the same fiscal year – while good for the long-term future of the franchise – it could have a significant impact on our quarterly performance without necessarily affecting our annual performance. Moving away from providing quarterly guidance re-emphasizes our commitment to making operational decisions that are focused on creating long-term shareholder value.

In February 2008, for the first time we provided a multi-year strategic business plan for EA, highlighting our strategy to deliver revenue and profit growth over the next 3 years. We believe our annual results will be the best measure of our progress towards our long-term targets. Therefore, going forward, we will only be providing annual guidance, updated each quarter.

Second – we expect significant top and bottom line growth in FY09. We expect to add approximately $1 BN in revenue and roughly double our operating profit as compared to fiscal 08.

On the revenue side…

- Much of our growth will come from our EA studios – with over 15 first time launches. This year – we plan to release over 55 titles – up more than 10 from last year.
- By platform – you can expect us to launch approximately 30 games for each of the PS3 and Xbox 360. On the Wii, we expect to ship over 20 games. We expect to ship 18 and 8 games for the NDS and PSP, respectively. For the PC – over 30 games. And finally – on the PS2, we expect to ship roughly 15 games. In total – this year we expect to ship over 150 SKUs – up more than 35 from last year.
- From EA Partners -- we are launching Rock Band on the Wii in North America, will ship Rock Band in Europe for the Xbox 360 and PS3 and will be launching Left For Dead from Valve. For FY09 – we expect co-publishing and distribution revenue to be over 10% of our total non-GAAP revenue.
- In digital / direct to consumer we expect to generate over $450 M in non-GAAP revenue*, up 35% versus FY08.
  - In online – we estimate our online non-GAAP revenue* will be in excess of $285 M – up approximately 50% year-over-year.
  - In EA Mobile – we expect our wireless revenue will be in excess of $185 M -- up approximately 20% year-over-year. In addition to our existing franchises – we plan to launch SPORE, My Sims and a broad offering of Hasbro titles on handsets around the world.

Before we talk about expenses – let me address operating margin leverage in FY09.

We are guiding to non-GAAP operating margins* of 12% to 14% for FY09 or increase of up to approximately 550 basis points.

- Our gross margins are expected to be up 2 to 3 points reflecting the benefit of the BioWare and Pandemic owned IP
- We are gaining 1 to 1.5 points in G&A expense
- And we expect to pick up about 1 point in Sales and Marketing expense

Let me spend a moment on R&D:

- **R&D**. We expect that R&D will be roughly the same percent of non-GAAP revenue in FY09 as FY08. We expect non-GAAP R&D will increase roughly 30% year-over-year driven mostly the full year effect of BioWare and Pandemic and investments in Online and Hasbro. We expect a $120 M increase related to our acquisition of BioWare and Pandemic Studios and an additional $40 M investment in our Hasbro initiatives. Excluding the FX impact on expenses and the assumption of funding bonus at 100%

– R&D in our EA Studios will be up about 10% year-over-year, related to new IP investments and our online and mobile initiatives.

Below the operating income line we see the following:

- Other income and expense. In FY08, non-GAAP other income and expense* was $98 M primarily comprised of interest income slightly offset by foreign exchange losses. We expect the FY09 Other Income and Expense dollar amount will be roughly half the actual FY08 level given the steep decline in interest rates. Year-over-year, this decrease translates to roughly 10 cents of EPS.
- Income taxes.
  - As you know, our GAAP tax rate can fluctuate quarter to quarter and we expect that will continue in FY09. For the full year, we expect a GAAP tax rate range of 42 to 50%, which includes one-time acquisition related charges with respect to the integration of VGH.
  - For non-GAAP* – we expect our rate for FY09 to be 28%. This rate represents what we expect for our long-term normalized tax rate.
  - Please note that we are switching our non-GAAP tax rate guidance and reporting methodology to this single tax rate. We believe this 28% rate reflects an appropriate long-term effective rate of our worldwide legal entity and tax structure. You can also use this 28% rate to model the quarters, including loss quarters.

Finally – some comments on P&L phasing during the year.

This year we adopted new bonus plans which will result in bonus expense being charged to the P&L in a straight-line fashion instead of being recognized in proportion to quarterly profitability. This impacts the quarterly phasing of our bonus expense. This change will <u>negatively</u> impact operating expenses in Q1, Q2 and Q409 and have a corresponding favorable impact on expenses in Q309.

Our expectations for profits in the first half of the year are significantly lower than current consensus expectations. There are a number of key factors impacting our expected first half of FY09:

1) The change in bonus phasing will result in an increase of approximately $70 M to $80 M of operating expense for the first half;
2) We expect that gross margin in the first half of the year will be in the low 50s due to mix and timing of our EA Partners business. In the second half of the year, we expect gross profit margin will rise to the low 60s.
3) We also expect approximately $25 M in Other Income and Expense in the first half of the year.

These changes, combined with the earlier comments means that profitability in the first half of the fiscal year will be significantly lower than current street expectations.

FY09 Guidance.

For our GAAP guidance.

For the full year, we expect –

- Revenue to be between $4.9 and $5.15 BN.
- EPS to be between $0.25 and $0.52.
- Gross margin to be between 55 and 58%.
- Diluted share count to be approximately 331 M shares.

This year we expect 63 - 68% of our total GAAP revenue in the second half of the year.

We expect to end the year with roughly $500 M in deferred net revenue related to online-enabled packaged goods.

Now – our non-GAAP* guidance.

For the full year, we expect –

- Non-GAAP revenue* to be between $5.0 BN and $5.3 BN.
- Non-GAAP EPS* to be between $1.30 and $1.70 per share.
- Non-GAAP gross margin* to be between 57% and 59%. We expect gross margin to increase year-over-year primarily due to a favorable mix of EA Studio revenue.
- Diluted share count to be approximately 331 M shares.
- We assume a non-GAAP tax rate* of 28% for the year.

Please note that we expect to roughly double our non-GAAP operating income* in FY09 versus FY08.

This year we expect 63% to 68% of our total non-GAAP revenue in the second half of the year.

Please see our press release for the difference between our expected GAAP and non-GAAP guidance.

Now our Q1 releases.

We have 19 EA SKUs slated for Q1 compared to 14 a year ago.

To date – we have shipped --

- Boom Blox on the Wii
- Sims 2 Double Deluxe and Sims 2 Kitchen & Bath Design for the PC.

- We’ve also started to ship Euro 2008 in Europe on 5 platforms (PC, Xbox 360, PS3, PS2, PSP) which will be followed by the North America launch later this month.

We also expect to ship --

- Battlefield Bad Company on the Xbox 360 and PS3,
- Mass Effect for the PC,
- SPORE Creature Creator for the PC,
- NASCAR 09 on 3 platforms (Xbox 360, PS3, PS2),
- Sims 2 Ikea Stuff Pack for the PC,
- Sim City Societies Destinations for the PC (digital download only),
- Sim City Box for the PC (NA only),
- Command and Conquer 3 Kane’s Wrath for the Xbox 360.

From EA Partners –

To date we have shipped -- Half Life 2: Episode 2 for the PC, Portal for PC and Team Fortress 2 for the PC.

- In addition, we expect to launch Rock Band for the Wii in North America and in Europe for the Xbox 360 (excluded from SKU count).

EA Mobile – plans to launch nine games on cellular handsets – including Boom Blox and Monopoly -- and four games on the iPod.

That concludes our guidance and outlook commentary.

I would like to now turn the call over to Frank Gibeau, President of the EA Games Label.

Thanks Eric.

Good afternoon everyone. On behalf of my team at EA Games, we welcome this opportunity to tell you about some of the great titles we're looking to deliver in the year ahead.

First – EA Games is a great reflection of how John's Label Structure and the City/State model works. We have fundamentally restructured our business – from a top-down and highly-centralized organization….to a confederation of autonomous creative teams, each with their own culture and vision. The geographic and creative diversity packed into our Label is impressive – to name a few, we make Warhammer at Mythic in Virginia; Need for Speed at Blackbox in Vancouver; Battlefield and Mirror's Edge at DICE in Sweden, Burnout at Criterion in London; Command & Conquer in Los Angeles, Spore at Maxis in Emeryville, and Dead Space in Redwood Shores.

Second -- we have successfully integrated the BioWare and Pandemic Studios into EA. These two unique and highly respected creative teams will be launching 6 titles in FY09 – including Mercenaries 2, Lord of the Rings Conquest, Saboteur and Dragon Age.

Third -- EA Partners is back as an integral part of our team. We did a great business with Valve on the Orange Box. And from our partnership with MTV Networks and Harmonix Studios – we're shipping **Rock Band** in Europe as well as debuting it on the Nintendo Wii this quarter in North America. Look for more big news from EAP later this year.

Fourth, fiscal 09 plan calls for dramatic improvement in our operational efficiency. The goal is to increase product quality, schedule predictability, and double our contribution margin this year.

Last -- and most important we have an incredible title plan for fiscal 09. We expect to ship over 20 titles – including 9 new IPs. I'd love to go deep on each but given time constraints, I'll mention just a few:

- I'll start with three games from the award-winning DICE Studios in Sweden.
    - First, **Battlefield Bad Company** – launching this June is about a squad of renegade soldiers on a quest for gold and revenge in an open world war zone. With both infantry and vehicle combat, battlefield expands it's best-in-class online mutli-player gameplay.
    - Second**, Mirror's Edge** – This is an innovative first person action/adventure with truly a unique look and feel. We are introducing a new videogame heroine; Faith, a young but skilled runner responsible for delivering highly sensitive information in a city closely monitored by authorities.
    - Third, **Battlefield Heroes** – is an all-new Play 4 Free cartoon-style shooter that will bring classic Battlefield game play to an all new

mass market. It's free to play with plenty of cool downloadables available as microtransactions.

- Next, from Pandemic Studios, is **Mercenaries 2.** This is a sequel to the 2005 hit. This time, it is about payback, Mercs style. A massive open world action game that delivers over-the-top action, big explosions and world-class production values in a fully destructible environment.
- **Dead Space** is the next product we will be releasing from EA Redwood Shores – a Sci-Fi survival horror game that – frankly put -- will scare the living hell out of you.
- **Dragon Age,** from the BioWare team in Edmonton, is a deep new PC property that is already generating a lot of enthusiasm among the large community of hardcore RPG fans.
- And finally, there's **Spore** from Will Wright and the Maxis studio in Emeryville which gives players their own personal universe to play in. We're shipping the Creature Creator in June so players can start building and sharing their creatures before the worldwide launch of the game this September.

This is a very exciting time at EA. The EA Games label had a great Q4. We've got a great lineup for fiscal 2009 and we can't wait to get our games into the hands of gamers.

With that – let me turn it back to John.

John:

Thanks Frank.

Before we take your questions I want to emphasize a few key ideas.

First – FY08 was a year of huge change for EA. As we stated a year ago, we had a plan to bring EA back to top-line growth and to show our path to improved operating margins going forward. On these fronts, we are pretty much right where we said we'd be.

Second - On Feb 12 of this year, we publicly disclosed our three-year plan. We laid out goals to increase our top-line nearly 2x from fiscal 07 to fiscal 11 and to increase our operating income by over 500%. Today we provided guidance for FY09 that is entirely consistent with these goals.

With that -- we would be happy to take your questions.

*Non-GAAP Financial Measures

To supplement the Company's unaudited condensed consolidated financial statements presented in accordance with GAAP, Electronic Arts uses certain non-GAAP measures of financial performance. The presentation of these non-GAAP financial measures is not intended to be considered in isolation from, as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP, and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP measures have limitations in that they do not reflect all of the amounts associated with the Company's results of operations as determined in accordance with GAAP. The non-GAAP financial measures used by Electronic Arts include: non-GAAP net revenue, non-GAAP gross profit, non-GAAP operating income (loss), non-GAAP net income (loss) and historical and estimated non-GAAP diluted earnings (loss) per share. These non-GAAP financial measures exclude the following items from the Company's unaudited condensed consolidated statements of operations:

- *Change in deferred net revenue (packaged goods and digital content)*
- *Acquisition-related charges*
- *Amortization of intangibles*
- *Certain litigation expenses*
- *Losses on strategic investments*
- *Restructuring charges*
- *Stock-based compensation*
- *Income tax adjustments (consisting of the income tax effect of the items listed above and certain one-time income tax adjustments)*

Electronic Arts may consider whether other significant non-recurring items that arise in the future should also be excluded in calculating the non-GAAP financial measures it uses.

Electronic Arts believes that these non-GAAP financial measures, when taken together with the corresponding GAAP financial measures, provide meaningful supplemental information regarding the Company's performance by excluding certain items that may not be indicative of the Company's core business, operating results or future outlook. Electronic Arts' management uses, and believes that investors benefit from referring to, these non-GAAP financial measures in assessing the Company's operating results both as a consolidated entity and at the business unit level, as well as when planning, forecasting and analyzing future periods. These non-GAAP financial measures also facilitate comparisons of the Company's performance to prior periods.

Through the end of fiscal 2008, Electronic Arts made certain income tax adjustments to its non-GAAP financial measures to reflect the income tax effects of each of the items it excluded from its non-GAAP financial measures, as well as certain discrete one-time income adjustments. This approach was consistent with how the Company evaluated operating performance, planned, forecasted and analyzed future periods, and assessed the performance of its management team. Beginning in fiscal 2009, the Company will use a long-term normalized tax rate for evaluating operating performance, as well as planning, forecasting and analyzing future periods, and assessing the performance of its management team. Based on its current long-term projections, the Company intends to use a long-term normalized tax rate of 28%.

Electronic Arts has provided a reconciliation of the most comparable GAAP financial measure to each non-GAAP financial measure in its earnings press release dated May 13, 2008.*

*** Source: North America – January & February 2008 Telephia; UK January 2008 ELSPA*

Safe Harbor Statement

Some statements set forth in this document, including the estimates relating to EA's fiscal 2009 financial guidance and expected operational performance, contain forward-looking statements that are subject to change. Statements including words such as "anticipate", "believe", "estimate" or "expect" and statements in the future tense are forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual events or actual future results to differ materially from the expectations set forth in the forward-looking statements. Some of the factors which could cause EA's results to differ materially from its expectations include the following: timely development and release of Electronic Arts' products; competition in the interactive entertainment industry; the Company's ability to successfully implement its reorganization plans; the consumer demand for, and the availability of an adequate supply of console hardware units (including the Xbox 360™ video game and entertainment system, the PLAYSTATION®3 computer entertainment system and the Wii™); consumer demand for software for legacy consoles, particularly the PlayStation 2; the Company's ability to predict consumer preferences among competing hardware platforms; the financial impact of potential future acquisitions by EA, including the potential acquisition of Take-Two Interactive Software, Inc.; the Company's ability to realize the anticipated benefits of its acquisition of VG Holding Corp.; consumer spending trends; the seasonal and cyclical nature of the interactive game segment; the Company's ability to manage expenses during fiscal year 2009 and beyond; the Company's ability to attract and retain key personnel; changes in the Company's effective tax rates; the performance of strategic investments; adoption of new accounting regulations and standards; potential regulation of the Company's products in key territories; developments in the law regarding protection of the Company's products; fluctuations in foreign exchange rates; the Company's ability to secure licenses to valuable entertainment properties on favorable terms; and other factors described in the Company's Annual Report on Form 10-K for the year ended March 31, 2007 and Quarterly Report for the quarter ended December 31, 2007. These forward-looking statements speak only as of May 13, 2008. Electronic Arts assumes no obligation and does not intend to update these forward-looking statements. In addition, the preliminary financial results set forth herein are estimates based on information currently available to Electronic Arts. While Electronic Arts believes these estimates are meaningful, they could differ from the actual amounts that Electronic Arts ultimately reports in its Annual Report on Form 10-K for the fiscal year ended March 31, 2008. Electronic Arts assumes no obligation and does not intend to update these estimates prior to filing its Form 10-K for the fiscal year ended March 31, 2008.