



EA Completes Acquisition of VG Holding Corp. - Welcomes BioWare Corp. and Pandemic Studios to the EA Games Label

Original Intellectual Property Under Development Includes Dragon Age, Mercenaries 2: World in Flames, Saboteur and Many More

REDWOOD CITY, Calif.--(BUSINESS WIRE)--Jan. 7, 2008--Electronic Arts Inc. (NASDAQ:ERTS) today announced that it has completed its acquisition of VG Holding Corp. and has officially welcomed BioWare Corp. and Pandemic Studios to the EA Games Label. The addition of these studios vaults EA into a competitive position in the RPG, action and adventure genres. The two studios have been recognized for creating some of the highest-quality games in the industry and will bring ten new franchises to EA, based on six wholly-owned IP.

Frank Gibeau, president of the EA Games Label, will oversee the studios within his organization. Ray Muzyka and Greg Zeschuk of BioWare Corp. have each been named as Vice Presidents of EA and Co-General Managers of BioWare Corp. Pandemic Studios' Andrew Goldman and Josh Resnick have each been named Vice Presidents of EA and Co-General Managers of Pandemic Studios, while Greg Borrud has been named Vice President of EA and Chief Production Officer of Pandemic Studios.

"BioWare Corp. and Pandemic Studios are two world-class studios and bring strong, highly compatible cultures of creative excellence to the EA Games Label," said Mr. Gibeau. "Their strengths in the RPG, action and adventure genres further broadens EA's portfolio, and reinforces our commitment to creating the world's greatest interactive entertainment."

"Our new EA partnership is already proving to be both positive and productive," said Mr. Resnick. "Pandemic Studios prides itself upon its creative independence while being the best place for top industry talent to work. These values continue to be upheld by all levels of EA and we couldn't be more excited about the future of our studio and our games."

Mr. Muzyka added, "EA has shown great respect for the creative integrity of our studios and BioWare's core values of quality in our workplace, quality in our products, and entrepreneurship. Operating as a city-state within the larger EA studio family, our talented teams at BioWare Edmonton and BioWare Austin are empowered to continue delivering powerful emotional experiences through our story-driven games."

In connection with the acquisition, EA will issue equity awards without stockholder approval pursuant to NASDAQ Marketplace Rules 4350(i)(1)(A)(iii) and (iv). These equity awards, which EA had agreed to grant at the time it announced the acquisition of VG Holding Corp., will consist of promissory notes payable in shares and restricted stock units, or "RSUs," with respect to an aggregate of approximately 2.8 million shares of EA's common stock and will be granted as retention incentives to five employee founders of BioWare and Pandemic. Approximately 2.1 million of the 2.8 million shares underlying the promissory notes and RSUs will vest over time, provided that, among other things, the respective recipient continues to be an employee or service provider to EA (or one of its subsidiaries) through each applicable vesting date. Approximately 700,000 of the remaining RSUs vest based upon the achievement of enumerated performance objectives tied to the release of new products, provided that, among other things, the respective recipient continues to be an employee or service provider to EA (or one of its subsidiaries). EA also assumed outstanding VGH stock options to acquire, on an as-converted basis, approximately 1.2 million shares of EA stock, which are widely-held by employees of VG Holding Corp., BioWare and Pandemic.

About Electronic Arts

Electronic Arts Inc. (EA), headquartered in Redwood City, California, is the world's leading interactive entertainment software company. Founded in 1982, the company develops, publishes, and distributes interactive software worldwide for video game systems, personal computers, cellular handsets and the Internet. Electronic Arts markets its products under four brand names: EA SPORTS™, EA™, EA SPORTS BIG™ and POGO™. In fiscal 2007, EA posted revenue of \$3.09 billion and had 24 titles that sold more than one million copies. EA's homepage and online game site is www.ea.com. More information about EA's products and full text of press releases can be found on the Internet at <http://info.ea.com>.

About BioWare Corp.

BioWare Corp. is an electronic entertainment company which develops computer, console, handheld and online video games focused on rich stories and memorable characters. Since 1995, BioWare has created some of the world's best-selling titles including the award-winning Baldur's Gate™ and Neverwinter Nights™ series, as well as the 2003 Game of the Year, Star Wars®: Knights of the Old Republic™. Original BioWare-created IPs include the 2005 RPG of the Year, Jade Empire™, with the next-generation title Dragon Age™ currently in development. The hotly anticipated Mass Effect is now available at retailers globally. The game has received more than 50 awards, including the 2007 Game Critics Awards for "Best Console Game" and "Best RPG" at the Electronic Entertainment Expo. With studios in Edmonton, Canada, and Austin, Texas, BioWare is also hard at work on a new title for the Nintendo DS™ based on Sonic the Hedgehog, as well as several unannounced projects including a massively multiplayer online game. For more information on BioWare, visit www.bioware.com.

About Pandemic Studios

Pandemic Studios is one of the world's premier developers of console and PC entertainment. Over its nine-year history, Pandemic Studios has established a reputation for producing top-selling, award-winning and cutting-edge original content and enhancing the value of existing intellectual properties. Recent hits include the record-selling Star Wars Battlefront™, Star Wars Battlefront™ II, and three original Pandemic Studios-created intellectual properties: Mercenaries™, Destroy All Humans™, and Full Spectrum Warrior™. Following the 2006 release of Destroy All Humans® 2, Pandemic Studios is developing a number of new, original titles for next-generation platforms including Mercenaries 2: World in Flames™ and Saboteur™ at its Los Angeles, California, and Brisbane, Australia, studio locations. For more information on Pandemic Studios and its games, please visit: <http://www.pandemicstudios.com>.

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SAFE HARBOR FOR FORWARD-LOOKING STATEMENTS

Some statements set forth in this press release, including those regarding EA's acquisition of VG Holding, the expected impact of the acquisition on EA's strategic and operational plans, and the expected impact on EA's financial results, 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 results to differ materially from the expectations expressed in these forward-looking statements include the following: the ability to attract and retain key personnel; the effect of the acquisition on EA's and VG Holding's strategic relationships, operating results and business generally, including the ability to retain key employees; EA's ability to successfully integrate VG Holding's operations and employees; the valuation and amortization of VG Holding's intangible assets; general economic conditions; consumer spending trends; the seasonal and cyclical nature of the interactive game segment; timely development and release of EA's and VG Holding's products; competition in the interactive entertainment industry; EA's ability to manage expenses during fiscal year 2008 and beyond; the availability of an adequate supply of video game hardware units; EA's ability to predict consumer preferences among competing hardware platforms; EA's ability to secure licenses to valuable entertainment properties on favorable terms; changes in EA's effective tax rates; adoption of new accounting regulations and standards; potential regulation of EA's products in key territories; developments in the law regarding protection of EA's products; fluctuations in foreign exchange rates; and other factors described in EA's SEC filings (including EA's Annual Report on Form 10-K for the year ended March 31, 2007 and Quarterly Report on Form 10-Q for the quarter ended September 30, 2007). If any of these risks or uncertainties materializes, the potential benefits of the acquisition may not be realized, EA's operating results and financial performance could suffer, and actual results could differ materially from the expectations described in these forward-looking statements. These forward-looking statements speak only as of the date of this press release. EA assumes no obligation to update these forward-looking statements.

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