

Electronic Arts Los Angeles

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Electronic Arts, Inc. (NASDAQ: ERTS) is the world's leading developer and publisher of interactive entertainment software products for advanced entertainment systems. The company, also known by its trademark, EA, employs 5,800 worldwide. In 2004, EA posted annual revenues of almost \$3 billion.

The company's headquarters are in Redwood City, California. EA operates 11 game development studios, and numerous sales offices, around the world. Development locations are managed as part of a 5 "hub" studio system. The largest development studio is located in Burnaby, British Columbia. One of the newest studios, with much expansion expected, is in Montreal. In the United States, EA conducts development in Redwood City, Los Angeles and Orlando. The Los Angeles location currently employs over 300.

As the top game publisher in the world, EA has always delivered very impressive numbers for the investment community. In 2004, EA produced 27 hits that sold more than one million copies each. In 2003, EA held almost 25 percent of total game software sales. Profit margins on game sales are just more than 17 percent.

The company has historically focused on game development in the PC and video game markets. But, as technology has become more pervasive in society, it is looking into new markets. Over the next few years, EA Los Angeles plans to strengthen its foray in online entertainment and mobile gaming, which includes cell phones. It is also exploring opportunities in television production, and music videos.

Internationally, EA continues to grow its business presence in Asia Pacific, Japan, and Europe. In 2004, EA opened an office in Hong Kong. In February 2005, it completed its 19.9 percent equity interest in France-based Ubisoft Entertainment S.A. Ubisoft is the 3rd largest independent European game publisher, and the 7th largest in the United States. The company's acquisition of Sweden-based D.I.C.E development studio strengthened its European presence.

Management

Game development has evolved considerably over the last several years. EA's dominate position in game development, worldwide, places it at the forefront of progressive management styles. To this end, management is focused on promoting a policy based on what it calls A.C.T.I.O.N values: This is an acronym which stands for Achievement, Customer Satisfaction, Teamwork, Integrity, Ownership and Now. A.C.T.I.O.N. maintains the corporate vision of a one-class society. It also fosters a framework for openness, and a progressive work environment.