

BROWN ERIC F
Form 4
April 19, 2010

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
BROWN ERIC F

2. Issuer Name and Ticker or Trading Symbol
ELECTRONIC ARTS INC. [ERTS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
209 REDWOOD SHORES
PARKWAY

3. Date of Earliest Transaction
(Month/Day/Year)
04/16/2010

___ Director ___ 10% Owner
__X__ Officer (give title below) __X__ Other (specify below)
EVP & Chief Financial Officer / EVP & Chief Financial Officer

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
__X__ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

REDWOOD CITY, CA 94065

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
				(A) or (D)	Price		
				Code	V	Amount	
Common Stock	04/16/2010		A		20,825	A	Ⓛ
Common Stock	04/16/2010		F		7,639	D	\$
					(2)		19.45
					34,205	D	
					26,566	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
Restricted Stock Units	(3)	04/16/2010		D	20,825	(1) 04/16/2012	Common Stock 20,825

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BROWN ERIC F 209 REDWOOD SHORES PARKWAY REDWOOD CITY, CA 94065			EVP & Chief Financial Officer	EVP & Chief Financial Officer

Signatures

By: Flora B. Lee, Attorney-in-Fact For: Eric F. Brown
Date: 04/19/2010

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Upon vesting, each restricted stock unit was converted into an equivalent number of shares of common stock.

(2) Represents shares of common stock withheld for tax purposes upon the vesting of restricted stock units.

(3) Each restricted stock unit represents a contingent right to receive one share of Electronic Arts common stock.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. 5 118 180 273 ===== Average shares outstanding 423 431 431 431 ----- EPS - diluted 0.01 0.27 0.42 0.63 =====

Fully converted EPS: Pre-tax net income 463 583 686 951 Income tax expense (276) (216) (243) (317) Minority interest expense 36 (34) (50) (78) ----- Net income \$ 223 \$ 334 \$ 392 \$ 556 ===== Average shares outstanding 784 792 792 792 ----- EPS - diluted \$ 0.28 \$ 0.42 \$ 0.50 \$ 0.70 ===== J If the LLC structure were eliminated, 2002 tax payments would increase \$136 million due to timing. K For further information, see separate HSN DISENGAGEMENT section. L 2001 excludes anticipated \$690 million proceeds, net of tax, from sale of USA

Broadcasting to Univision. M Includes investments, acquisitions, changes in working capital, and other items. N All years presented as if new accounting rules for goodwill amortization were in place in order to present comparable information. READ IMPORTANT FOOTNOTES AND DISCLAIMER USA Operating Budget 10/24/01 AS FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION ON OCTOBER 24, 2001 Page 4 of 6 USA NETWORKS, INC. OPERATING BUDGET BUSINESS OUTLOOK for the YEAR 2002 We anticipate that our operating businesses will grow their revenue and EBITDA by 15% in 2002. All of our operating businesses anticipate growing quite significantly (at an average growth of over 20%), other than the USA Network, which we anticipate will be particularly hit hard in the present advertising environment. If advertising recovers more quickly than we anticipate, our EBITDA may very well be higher, although it's possible that, in such a case, we'd reinvest in the business and spend more on original programming. On the other hand, it's more than possible that, in the present economic environment and with ever changing world events, our EBITDA growth could be less than anticipated; however, even under the worst circumstances, we expect we will do what's necessary to make sure we don't perform at a level less than 2001 (which we believe will end up with EBITDA growth for USA's operating businesses of 16% over 2000). It's also anticipated that the first six months of 2002 will be comparatively worse than the second six months of the year. So it is possible that USA's EBITDA numbers for the first and second quarters of 2002 will show negative comparisons to the same quarters in 2001. BUSINESS OUTLOOK for the FOURTH QUARTER 2001 For the fourth quarter, we expect EBITDA from our Operating Businesses to decline by 12% to 16%, on flattish revenue growth, as compared to Q4 2000. This weak quarterly performance is due largely to the continuing effects of the national tragedy, including an accelerated downward impact on the advertising market. HSN, however, has returned to its normal level of business, and, therefore anticipates positive performance in the fourth quarter, but it's sales results may be negatively affected by reduced computer sales (which contributed almost \$50m in sales during Q4 '00). HSN DISENGAGEMENT USA announced the sale of its broadcast television stations to Univision for \$1.1 billion in December 2000. The majority of these stations are located in the largest markets in the country and air HSN on a 24-hour basis. As of January 2002, HSN will have switched its distribution in these markets directly to cable carriage. As a result, HSN will lose approximately 12 million homes and accordingly, HSN's operating results will be affected. Fortunately, sales from broadcast only homes are very, very low in comparison to sales from cable homes. So HSN's losses attributable to this disengagement is limited. HSN anticipates losing sales, which translates on a pro forma basis for 2001, of \$108 million and EBITDA of \$15 million. These anticipated losses are consistent with previous disclosures in USA's 10k filing, in which it was stated that disengagement losses would equal approximately 6% of HSN's sales and EBITDA. Since the affect of disengagement is a one-time event, and in order to show HSN's results on a meaningful comparative basis, the revenue and EBITDA that were generated by the "lost" homes in prior periods will be pro forma eliminated from HSN's core results in these prior periods. In addition, in order to effectively transfer HSN's distribution to cable (which has been accomplished), USA will incur charges of approximately \$100 million in the form of payments to cable operators and related marketing expenses. These disengagement costs will not impact EBITDA. Approximately \$5 million of these costs will be incurred in 2001 and \$53 million in 2002. In effect, this approximately \$100 million payment will reduce USA's pre-tax proceeds from the Univision transaction to \$1 billion. USA believes that its disengagement costs increased to the higher end of USA's anticipated range of costs, since USA was required to achieve a certain portion of disengagement after the Univision announcement and with specified end-dates for continuing broadcast distribution. READ IMPORTANT FOOTNOTES AND DISCLAIMER USA Operating Budget 10/24/01 AS FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION ON OCTOBER 24, 2001 Page 5 of 6 USA NETWORKS, INC. OPERATING BUDGET IMPORTANT This business outlook contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are necessarily estimates reflecting the best judgment of the senior management of USA and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements should, therefore, be considered in light of various important factors, including those set forth herein and in the documents USA files with the Securities and Exchange Commission. Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation: material adverse changes in economic conditions generally or in the markets served by USA, material changes in inflation, future regulatory and legislative actions affecting USA's operating areas, competition from others, product demand and market acceptance, the ability to protect proprietary information and technology or to obtain necessary

licenses on commercially reasonable terms, the ability to expand into and successfully operate in foreign markets, and obtaining and retaining skilled workers and key executives. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. USA does not undertake any obligation to update or revise these forward-looking statements, whether as a result of new information, future events or any other reason. USA and Expedia, Inc. have filed a preliminary joint prospectus/proxy statement and will file other relevant documents concerning USA's acquisition of Expedia with the Securities and Exchange Commission (SEC). INVESTORS ARE URGED TO READ THE JOINT PROSPECTUS/PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED IN THE FUTURE WITH THE SEC BECAUSE THOSE DOCUMENTS CONTAIN IMPORTANT INFORMATION. Investors will be able to obtain such documents free of charge at the SEC's website at www.sec.gov. In addition, such documents may also be obtained free of charge by contacting USA Networks, Inc., 152 West 57th Street, New York, New York, 10019, Attention: Investor Relations, or Expedia, Inc., 13810 SE Eastgate Way, Suite 400, Bellevue, WA 98005, Attention: Investor Relations. * * * READ IMPORTANT FOOTNOTES AND DISCLAIMER USA Operating Budget 10/24/01 AS FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION ON OCTOBER 24, 2001 Page 6 of 6