

# **The Sims Label**

**Nancy Smith, President**



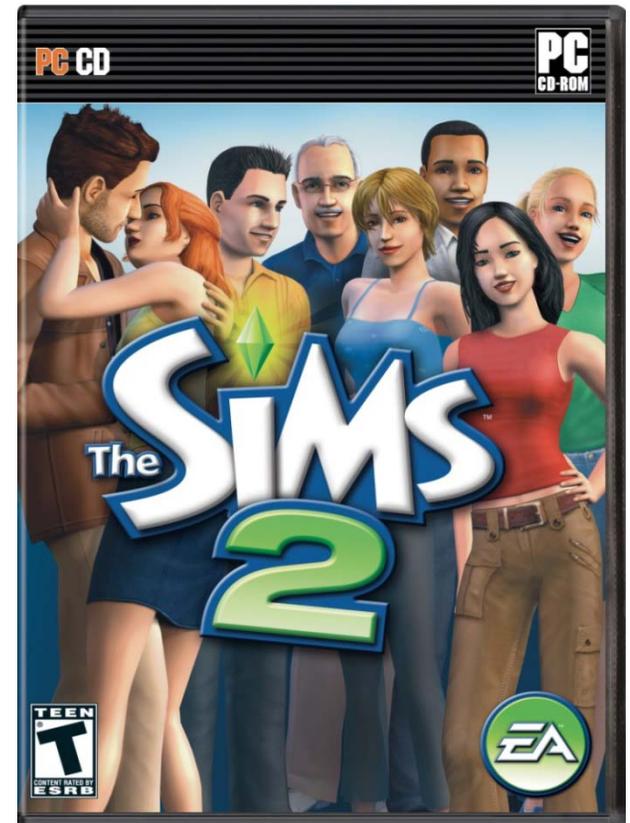
# Safe Harbor Statement

*Some statements set forth in this presentation, including estimates and targets relating to future financial results (e.g., revenue, profitability, margins), operating plans, business strategies, objectives for future operations, and industry growth rates contain forward-looking statements that are subject to change. Statements including words such as "anticipate", "believe", "estimate", "expect" or "target" 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 the Company'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 Label structure and related reorganization plans; the consumer demand for, and the availability of an adequate supply of console hardware units (including the Xbox 360, the PLAYSTATION3, 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 Company's ability to realize the anticipated benefits of its acquisition of VG Holding Corp. and other acquisitions and strategic transactions it may undertake in the future; consumer demand for mobile and online games and the Company's ability to meet that demand with appealing product offerings; consumer spending trends; the seasonal and cyclical nature of the interactive game segment; the Company's ability to manage expenses during the remainder of fiscal year 2008 and in future fiscal years; the Company's ability to attract and retain key personnel; changes in the Company's effective tax rates; 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, or not currently known to the Company. These forward-looking statements speak only as of February 12, 2008. Electronic Arts assumes no obligation and does not intend to update these forward-looking statements.*

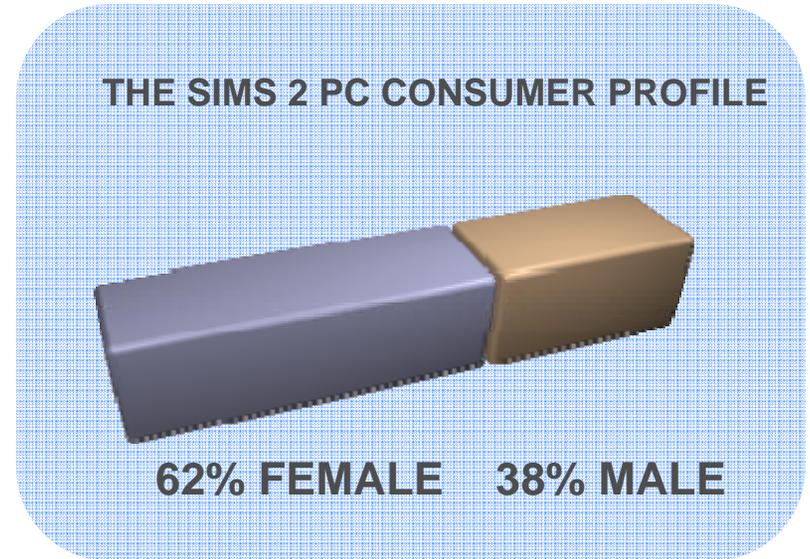
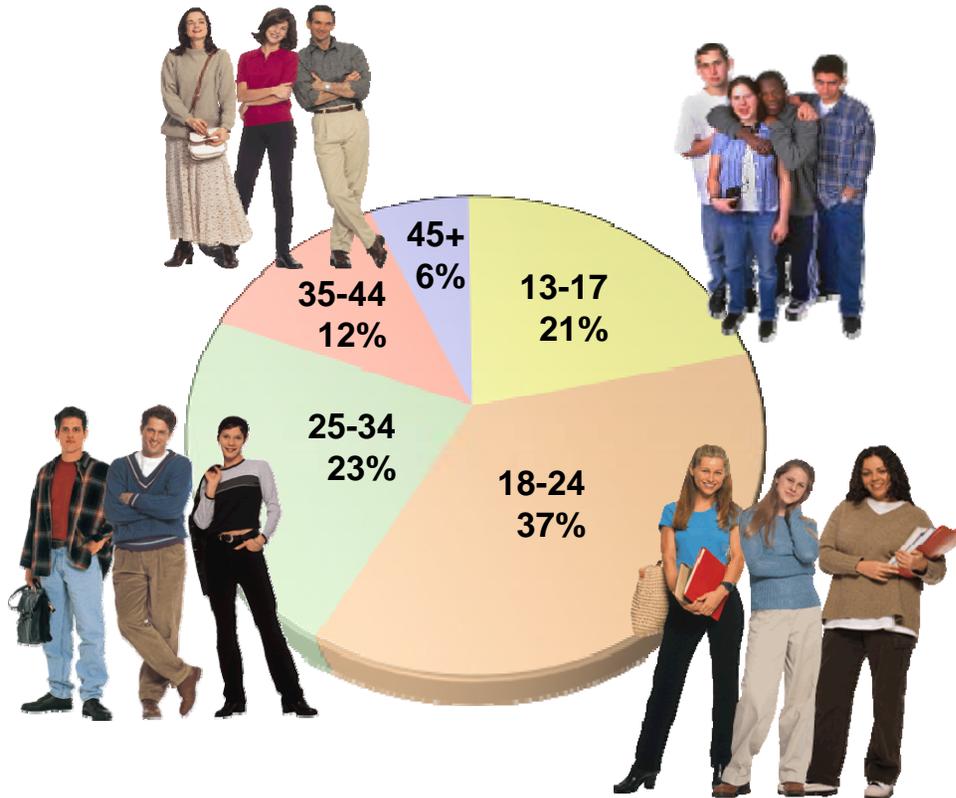


# What is The Sims?

- Over **98 million** games sold worldwide
- The broadest appealing game in interactive entertainment
- Global property translated into 22 languages
- WW revenue: Europe 60%, N.A. 34%, Asia 6%



# What is Different about The Sims?



Source: The Sims Global segmentation study June 2005



# The Sims is #2 Franchise in Games

YEAR 2007

	Rank	Title	N.A & EU Total Units (in millions)
	1	Mario Brothers	21.2
	2	The Sims	15.9
	3	Guitar Hero	12.0
	4	Call of Duty	10.5
	5	FIFA	9.8
	6	Need for Speed	9.6
	7	Brain Training	8.8
	8	Star Wars	8.7
	9	Pokemon	8.0
	10	Madden Football	7.5



Source: NPD  
Chart-tract UK  
Gfk France, MCC Germany & Gfk Spain  
EA Internal Estimate

# The Sims is #1 Franchise in PC Games

YEAR 2007

	Rank	Title	N.A & EU Total Units (in millions)
	1	The Sims	9.8
	2	Warcraft	6.7
	3	Call of Duty	1.6
	4	Battlefield	1.6
	5	Age of Empires	1.5
	6	Star Wars	1.4
	7	Guild Wars	1.2
	8	Civilization	1.1
	9	Lord of the Rings	1.0
	10	Command & Conquer	0.9



Source: NPD  
Chart-tract UK  
Gfk France, MCC Germany & Gfk Spain  
EA Internal Estimate



Brand Attributes

**Creativity**

**Community**

**Humor**





# The Sims Brand = Creativity, Community, Humor



*Ultimate  
creativity*  
Open-ended color  
choices & a free  
canvas



**Robust Creativity:**

Create a world of  
infinite  
possibilities



*Easy  
Creativity*  
Basic color  
choices & cool  
new ways to be  
creative.



**Easy Creativity**

Create a town,  
community & world  
of your own



*Make real  
creations*  
Open-ended  
creativity that's 3D &  
accessible.



**Ultimate  
Citybuilder**

Free your creativity &  
impose your will in  
your ultimate city!



*Perform Karaoke  
and Comedy!*  
Share with your  
friends!

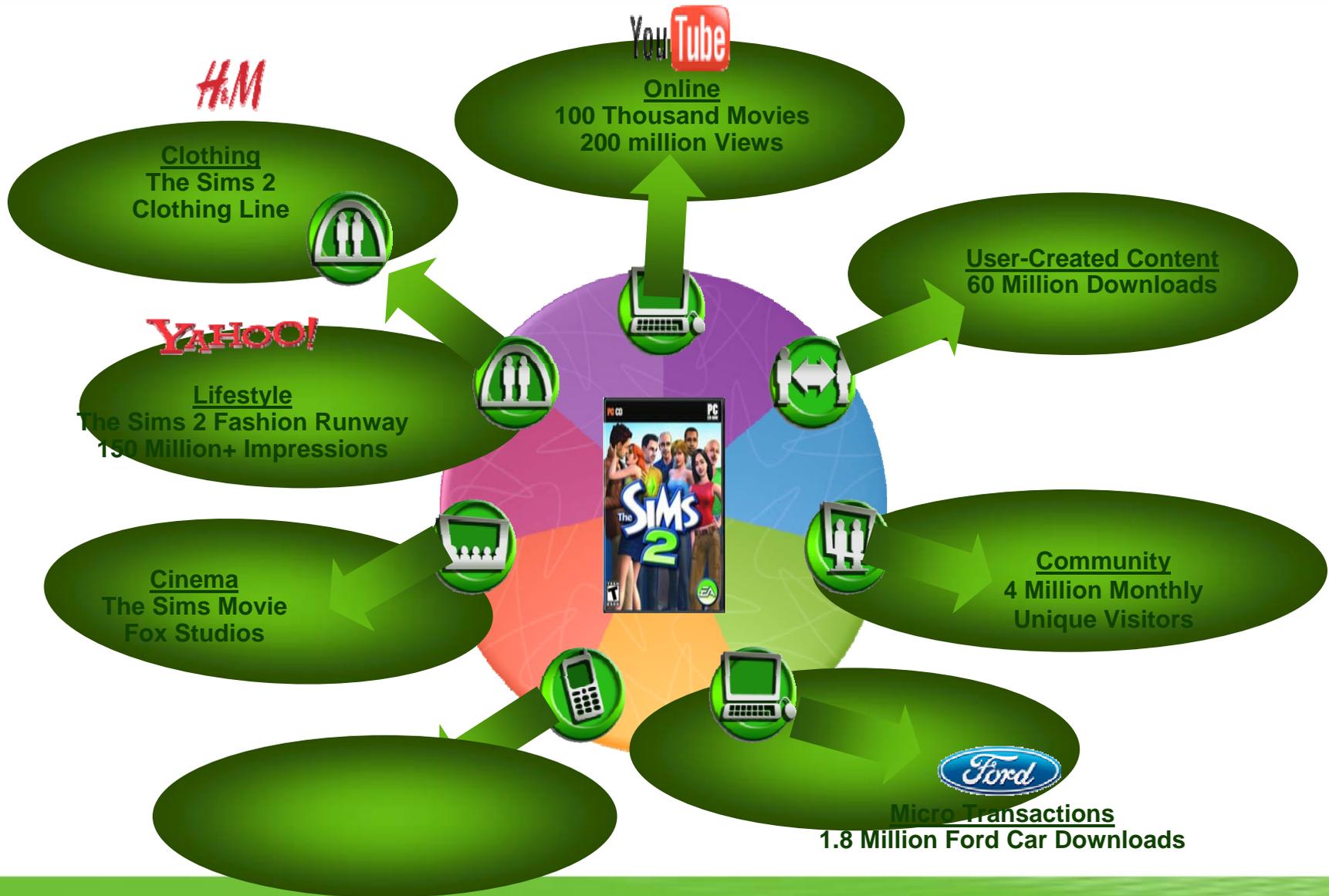


**Creative  
Performance  
Community**



# The Sims Brand at Retail





## The Sims Brand – Platform for Growth

# The Sims Community

- 4 million unique visitors monthly
- Localized communities in 17 countries
- 1 million newsletter subscribers
- 60 million downloads of user-created content



# 1.8 Million Ford Cars Downloaded

The screenshot shows the website interface for The Sims 2. At the top, a navigation bar includes links for PC Games, More Games, Exchange, Cool Stuff, Community, MySims, News, Search, and Help. The main banner features the Sims 2 logo on the left and a red Ford Mustang GT in the center, with the text "Mustang GT DOWNLOAD FOR YOUR SIMS" below it. To the right of the car are two Sims characters. A green diamond icon is positioned above the car. Below the banner, there are three smaller promotional boxes: "The Sims 2 Pets" expansion pack, a "Vroom! Dining Chair" by MaxoidMonkey, and "The Sims 2 Seasons Exclusive Screenshots!". On the right side, a "News" section lists several articles with dates and titles, including "Ford Mustang GT Download" and "The Sims Are In Season".

PC Games More Games Exchange Cool Stuff Community MySims News Search Help

**The Sims 2**

**Ford**

**Mustang GT** DOWNLOAD FOR YOUR SIMS

**The Sims 2 Pets** EXPANSION PACK

Find out More!

**MaxoidMonkey**  
Vroom! Dining Chair...

**The Sims 2 Seasons** Exclusive Screenshots!

See Exclusive Screenshots in the About section!  
:: Go To Screenshots!

**MaxoidKitty**  
MySim | Tools  
:: Log out  
You Have New Mail!

**News**

**Friday, January 5th, 2007**  
**Ford Mustang GT Download**  
Pick up your keys to your new Ford Mustang GT and take it for a test drive.  
:: [Download the patch](#)

**Friday, December 22, 2006**  
**The Sims Are In Season**  
GameSpot reviews The Sims 2 Seasons Expansion Pack.  
:: [Read the Review](#)

**Friday, December 22, 2006**  
**Play Poppit Stress Buster!**  
Gearing up for the holidays can leave us all a little frazzled. Take a 5 minute break and unwind with the Poppit Stress Buster!  
:: [Play Now!](#)

**Thursday, December 21, 2006**  
**New Holiday Theme**  
We've created a new Holiday theme for your Sim pages! Happy Holidays!  
:: [Change your Sim Theme](#)

**Also in the News**

:: [Happy Holidays!](#)





# Fashion Runway Contest



VIDEOS PHOTO GALLERY COOL STUFF VOTE NOW!

WATCH & VOTE

Check out this virtual Fashion Runway show for the latest fashions created by viewers like you! At least one of the top designs submitted will be manufactured for sale in H&M stores worldwide!



**Watch Videos**

- Fashion Runway- Week 3!
- Commentary
- Music Video

[View Top Design >](#)

DESIGN THEMES

Email Video IM Video Blog Video Post to Facebook

Party Time Skate Park **Street Wear** Night Out Let's Go to the Beach Red Carpet **COMING AUGUST 24** **GRAND FINALE** coming soon

Add a Comment On: **Street Wear**

400 Characters left

Street Wear Fashion Photo Gallery



[More Photos >](#)

ADVERTISEMENT



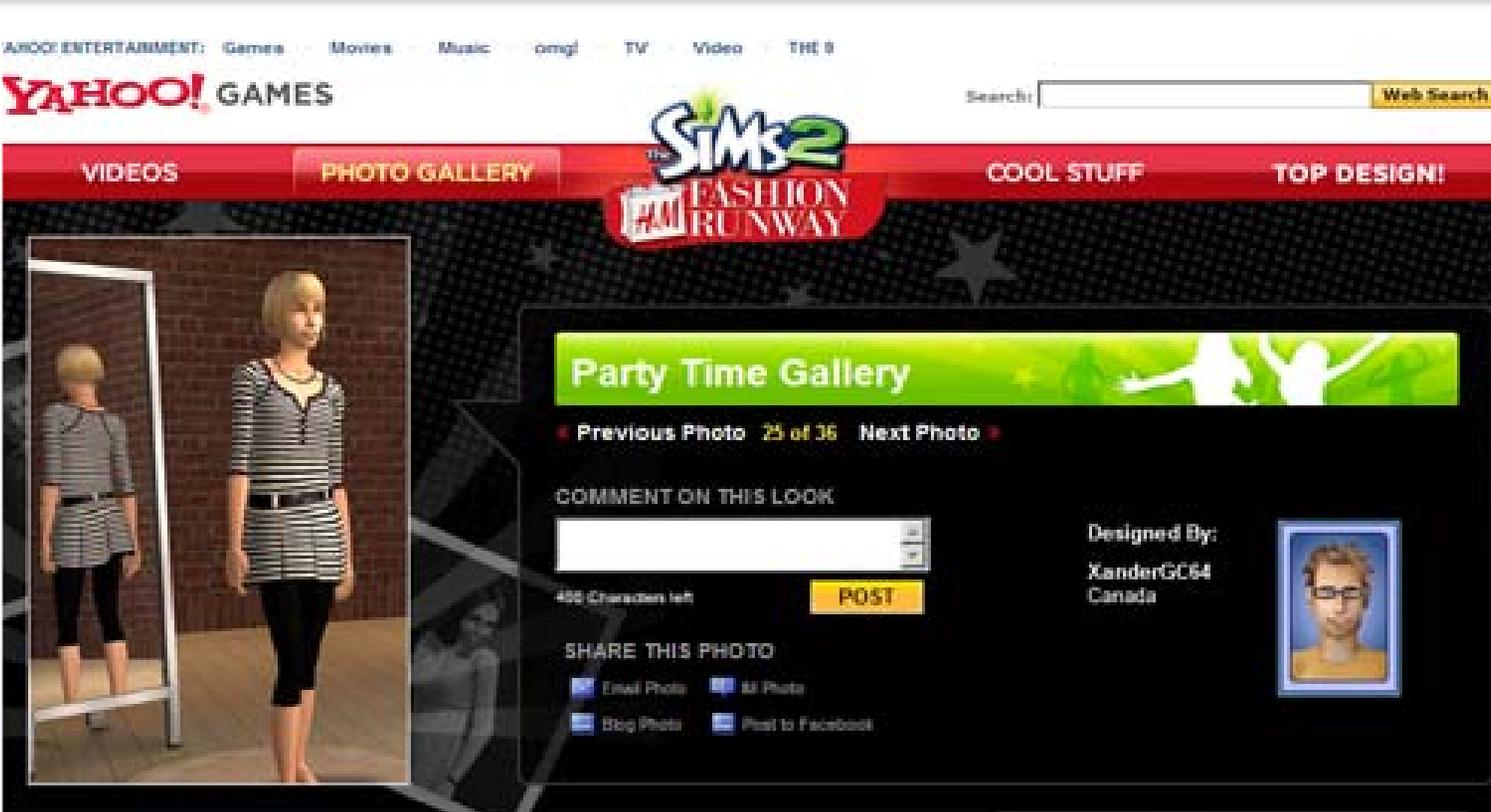
# H&M Winning Design

AMCO ENTERTAINMENT: Games Movies Music omg! TV Video THE 9

**YAHOO! GAMES** Search:  Web Search

VIDEOS PHOTO GALLERY COOL STUFF TOP DESIGN!

**THE SIMS 2**  
**H&M FASHION RUNWAY**



**Party Time Gallery**

Previous Photo 25 of 36 Next Photo

COMMENT ON THIS LOOK

400 Characters left **POST**

Designed By:  
XanderGC64  
Canada

SHARE THIS PHOTO

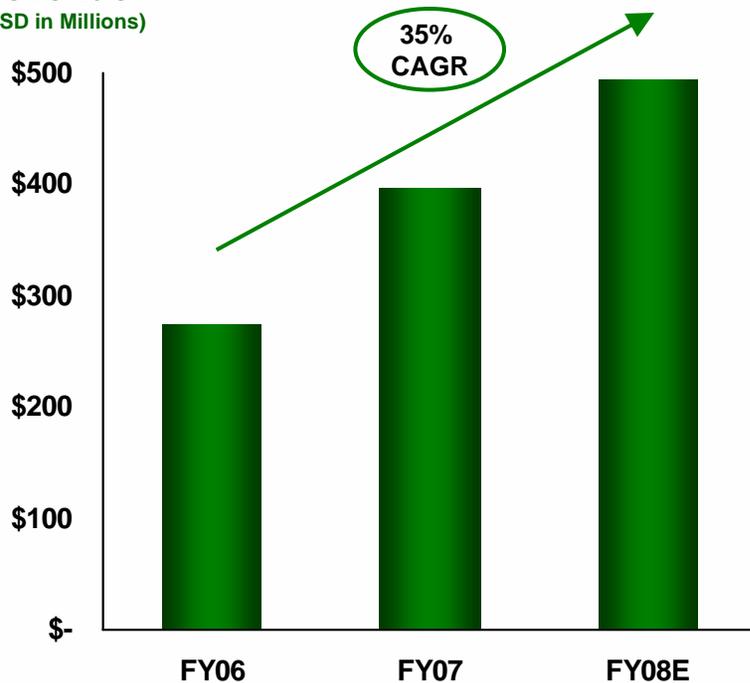
- Email Photo
- IM Photo
- Blog Photo
- Post to Facebook



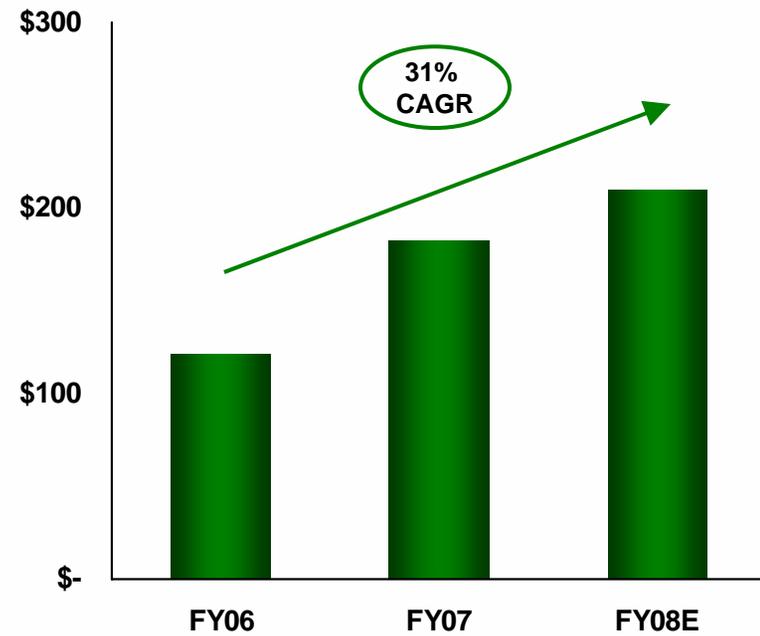
# The Sims

## Financial Overview

**Revenue**  
(USD in Millions)



**Contribution Profit**  
(USD in Millions)



**Contribution Margin = 40-45%**



**The Label Organization Works**  
**Grew Revenue 80% in 2 Years**

# Competitive Landscape

<p><b>MOVIES &amp; TV</b></p>	
<p><b>OTHER ENTERTAINMENT BRANDS</b></p>	
<p><b>SOCIAL NETWORKS &amp; WEBSITE COMMUNITIES</b></p>	
<p><b>TECHNOLOGY &amp; MEDIA</b></p>	



# Strategies for Growth FY09-FY11

- Grow The Sims Brand with New IP

- MySims

- MySims Kingdom
    - MySims Party



- SimCity Creator



- SimAnimals



# Strategies for Growth FY09-FY11

- Launch New Online Communities
  - TheSimsOnStage.com
  - TheSimsCarnival.com



- Build the Next Generation Game for The Sims
- Grow Revenue in Asia



# New IP Launched on Nintendo Platform



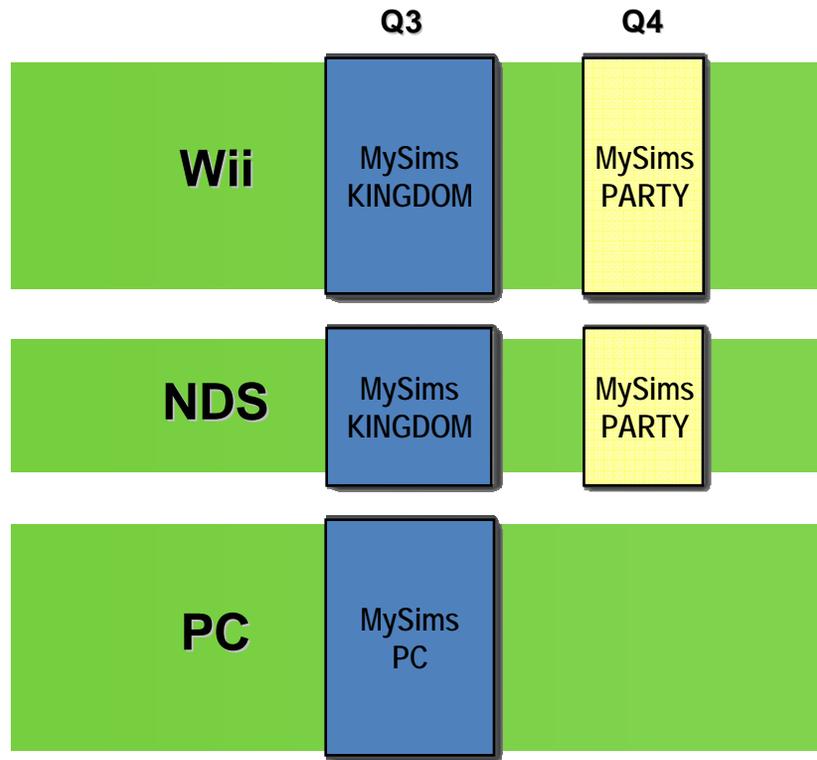
## A Global Success Story

- 3 million units shipped
- \$100 million revenue
- Top selling 3<sup>rd</sup> party DS title in N.A. and Europe





# FY09 Franchise Plan



# Build New Online Communities

- TheSimsOnStage.com
  - Creative community that features karaoke, comedy, poetry, movie mashups
  - Perform using webcam, microphone or text
  - Viewers can rate, review or host contests
  - Performance Community – reaching consumers beyond gaming
    - Advertising
    - Sponsorship
    - Micro Transactions



# Build New Online Communities

- TheSimsCarnival.com
  - Play casual games online with rich community
  - Create games with easy tools and assets
  - Customize and share games with friends
  - Attract AAA creators and monetize



● Advertising

● Sponsorship

● Micro Transactions

● Digital Downloads



# The Sims

## Revenue Targets

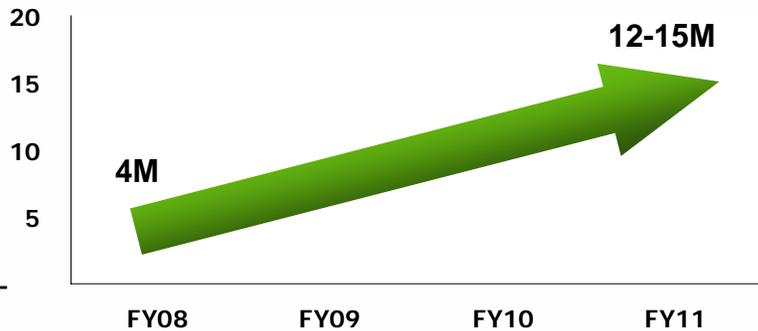


**Continue to Grow The Sims Brand**  
**Maintain 40-45% Contribution Margin**

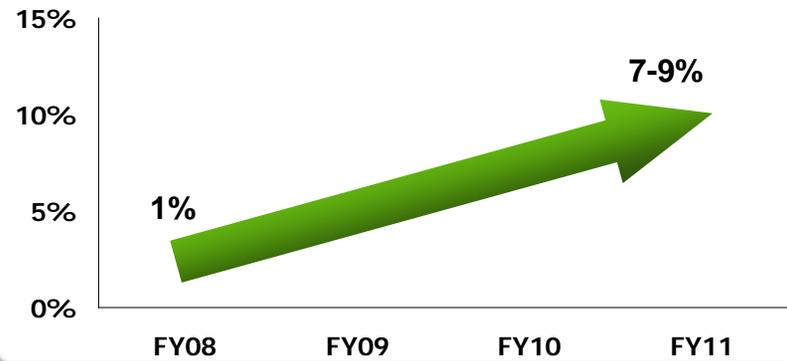
# Key Metrics

## Unique Online Consumers

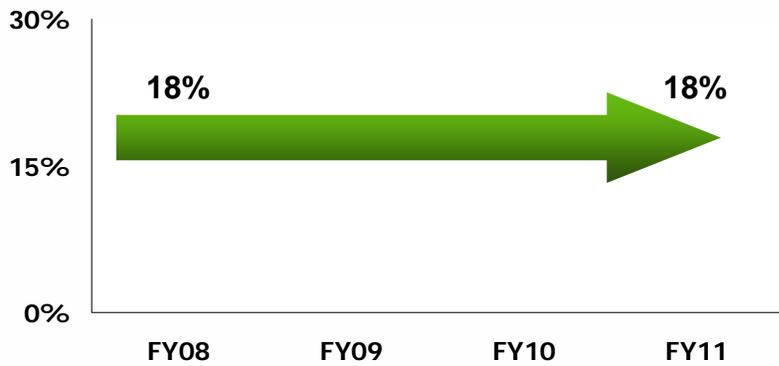
(Millions)



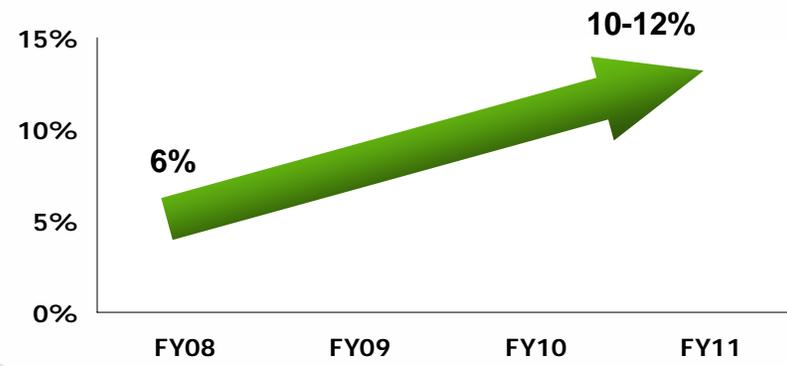
## Digital Revenue % of Total



## R&D % of Revenue



## Asia Revenue % of Total



# In Summary

- Grow The Sims Brand with New IP
- Launch New Online Communities
- Build the Next Generation Game for The Sims
- Grow Revenue in Asia



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- TheSimsCarnival.com
  - Play casual games online with rich community
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● Digital Downloads



# Online Casual Game Market

