FOR IMMEDIATE RELEASE

Adobe Licenses Sonic Solutions DVD Technology

Agreement Accelerates Adobe’s Entry into DVD Authoring Software Market

SAN JOSE, Calif. — December 11, 2001 (NASDAQ: ADBE) — Adobe Systems Incorporated, the leader in network publishing, today announced an agreement to license DVD authoring technology from Sonic Solutions (NASDAQ: SNIC), the world’s leading supplier of authoring systems for DVD-Video production. The technology that Adobe has licensed from Sonic will form the foundation of an Adobe-branded professional DVD authoring application.

Under the terms of the agreement, Adobe will license the technology underlying Sonic Solutions’ DVD product line including Sonic’s industry leading AuthorScript™ formatting engine. Adobe and Sonic Solutions will work together to initiate development of Adobe-branded DVD software, and a core team of engineers from Sonic Solutions will join Adobe.

“With products like Adobe Premiere®, After Effects® and Photoshop®, Adobe is already a leader in the digital video and digital imaging markets,” said Bryan Lamkin, senior vice president of Adobe Systems’ Graphics Business Unit. “We are investing in DVD authoring because it complements our existing position in both markets, where DVD is expected to quickly become a primary medium for content delivery and storage.”

According to industry analysts, DVD player technology is being adopted by consumers faster than any other electronic device in history. According to Dataquest, the annual sales of DVD home players will exceed 60 million units by 2004 and an additional 100 million DVD units will be sold in desktop and laptop computers. The ability to author DVDs directly on the desktop is also expanding, with hardware manufacturers such as Hewlett-Packard and Pioneer introducing recordable DVD drives for use with desktop computers. Adobe customers in major studios, post-production facilities and corporate marketing departments worldwide are interested in an Adobe DVD authoring solution to enable the sharing, distribution and storage of much of the content that is created using Adobe graphics software applications.
“This licensing agreement accelerates our ability to offer customers high quality DVD authoring software that leverages their investments in Adobe graphics software,” said Lamkin. “By combining Sonic Solutions’ DVD technology with Adobe’s market-leading content creation tools and powerful brand, we believe we have a tremendous opportunity to excel in the emerging DVD software market.”

“We’re very pleased to be teaming with Adobe as they expand their digital video and digital imaging product lines to include DVD-Video creation,” said Bob Doris, president of Sonic. “Adobe’s product lineup and success in digital media joined with Sonic’s expertise in DVD-Video makes for an unbeatable combination.”

About Adobe Systems Incorporated

Founded in 1982, Adobe Systems Incorporated (www.adobe.com) builds award-winning software solutions for network publishing, including Web, ePaper, print, video, wireless and broadband applications. Its graphic design, imaging, dynamic media and authoring tools enable customers to create, manage and deliver visually-rich, reliable content. Headquartered in San Jose, Calif., Adobe is the second-largest PC software company in the U.S., with annual revenues exceeding $1.2 billion.

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