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**Adobe Reports Record Quarterly and Annual Revenue**

**Condensed Consolidated Statements of Income**

(In thousands, except per share data; unaudited)

	Three Months Ended		Year Ended	
	November 28, 2008	November 30, 2007	November 28, 2008	November 30, 2007
Revenue:				
Products .....	\$ 864,466	\$ 872,375	\$ 3,396,542	\$ 3,019,524
Services and support .....	50,835	38,836	183,347	138,357
Total revenue .....	<u>915,301</u>	<u>911,211</u>	<u>3,579,889</u>	<u>3,157,881</u>
Total cost of revenue:				
Products .....	63,732	77,286	266,389	270,818
Services and support .....	22,706	21,310	96,241	83,876
Total cost of revenue .....	<u>86,438</u>	<u>98,596</u>	<u>362,630</u>	<u>354,694</u>
Gross profit .....	828,863	812,615	3,217,259	2,803,187
Operating expenses:				
Research and development .....	153,148	162,847	662,057	613,242
Sales and marketing .....	275,942	282,065	1,089,341	984,388
General and administrative .....	80,128	73,978	337,291	274,982
Restructuring charges .....	29,428	—	32,053	555
Amortization of purchased intangibles and incomplete technology .....	17,024	17,893	68,246	72,435
Total operating expenses .....	<u>555,670</u>	<u>536,783</u>	<u>2,188,988</u>	<u>1,945,602</u>
Operating income .....	273,193	275,832	1,028,271	857,585
Non-operating income (expense):				
Interest and other income, net .....	9,069	16,858	43,847	82,724
Interest expense .....	(1,992)	(78)	(10,019)	(253)
Investment (loss) gain .....	(3,926)	(1,935)	16,409	7,134
Total non-operating income, net .....	<u>3,151</u>	<u>14,845</u>	<u>50,237</u>	<u>89,605</u>
Income before income taxes .....	276,344	290,677	1,078,508	947,190
Provision for income taxes .....	30,427	68,469	206,694	223,383
Net income .....	<u>\$ 245,917</u>	<u>\$ 222,208</u>	<u>\$ 871,814</u>	<u>\$ 723,807</u>
Basic net income per share .....	<u>\$ 0.47</u>	<u>\$ 0.39</u>	<u>\$ 1.62</u>	<u>\$ 1.24</u>
Shares used in computing basic net income per share .....	528,803	574,716	539,373	584,203
Diluted net income per share .....	<u>\$ 0.46</u>	<u>\$ 0.38</u>	<u>\$ 1.59</u>	<u>\$ 1.21</u>
Shares used in computing diluted net income per share ....	534,896	587,865	548,553	598,775