

## Adobe Reports Record Quarterly and Annual Revenue

### Condensed Consolidated Statements of Income

(In thousands, except per share data; unaudited)

	Three Months Ended		Year Ended	
	December 2, 2011	December 3, 2010	December 2, 2011	December 3, 2010
Revenue:				
Products .....	\$ 936,958	\$ 830,867	\$ 3,424,472	\$ 3,159,161
Subscription.....	123,374	100,387	450,645	386,805
Services and support.....	91,829	76,692	341,141	254,034
Total revenue .....	<u>1,152,161</u>	<u>1,007,946</u>	<u>4,216,258</u>	<u>3,800,000</u>
Cost of revenue:				
Products .....	34,048	35,151	125,640	127,453
Subscription.....	51,334	49,187	194,033	195,595
Services and support.....	30,997	22,879	118,200	80,454
Total cost of revenue .....	<u>116,379</u>	<u>107,217</u>	<u>437,873</u>	<u>403,502</u>
Gross profit.....	1,035,782	900,729	3,778,385	3,396,498
Operating expenses:				
Research and development.....	195,403	170,378	738,053	680,332
Sales and marketing.....	368,330	322,708	1,385,822	1,244,197
General and administrative.....	119,586	100,323	414,605	383,499
Restructuring and other charges.....	94,502	2,193	97,773	23,266
Amortization of purchased intangibles.....	11,830	18,184	42,833	72,130
Total operating expenses.....	<u>789,651</u>	<u>613,786</u>	<u>2,679,086</u>	<u>2,403,424</u>
Operating income.....	246,131	286,943	1,099,299	993,074
Non-operating income (expense):				
Interest and other income (expense), net.....	(1,351)	11,234	(2,974)	13,139
Interest expense .....	(16,774)	(16,786)	(66,952)	(56,952)
Investment gains (losses), net.....	5,174	4,620	5,857	(6,110)
Total non-operating income (expense), net.....	<u>(12,951)</u>	<u>(932)</u>	<u>(64,069)</u>	<u>(49,923)</u>
Income before income taxes.....	233,180	286,011	1,035,230	943,151
Provision for income taxes .....	59,461	17,161	202,383	168,471
Net income .....	<u>\$ 173,719</u>	<u>\$ 268,850</u>	<u>\$ 832,847</u>	<u>\$ 774,680</u>
Basic net income per share.....	<u>\$ 0.35</u>	<u>\$ 0.53</u>	<u>\$ 1.67</u>	<u>\$ 1.49</u>
Shares used to compute basic net income per share.....	491,523	506,752	497,469	519,045
Diluted net income per share.....	<u>\$ 0.35</u>	<u>\$ 0.53</u>	<u>\$ 1.65</u>	<u>\$ 1.47</u>
Shares used to compute diluted net income per share....	<u>496,288</u>	<u>511,923</u>	<u>503,921</u>	<u>525,824</u>