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**FOR IMMEDIATE RELEASE**

## **Adobe Reports First Quarter Financial Results**

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**SAN JOSE, Calif. — March 17, 2009** — Adobe Systems Incorporated (Nasdaq:ADBE) today reported financial results for its first quarter ended Feb. 27, 2009.

In the first quarter of fiscal 2009, Adobe achieved revenue of \$786.4 million, compared to \$890.4 million reported for the first quarter of fiscal 2008 and \$915.3 million reported in the fourth quarter of fiscal 2008.

“In this tough economic environment, we are pleased we were able to manage expenses to deliver solid Q1 earnings and margin results,” said Shantanu Narayen, president and CEO. “We believe the major market trends driving our business remain intact, and we will continue to focus on innovation and investing in new growth businesses to increase the strategic value we provide our customers.”

### **First Quarter Fiscal 2009 GAAP Results**

Adobe’s GAAP diluted earnings per share for the first quarter of fiscal 2009 were \$0.30, based on 527.8 million weighted average shares. This compares with GAAP diluted earnings per share of \$0.38 reported in the first quarter of fiscal 2008 based on 571.3 million weighted average shares, and GAAP diluted earnings per share of \$0.46 reported in the fourth quarter of fiscal 2008 based on 534.9 million weighted average shares.

GAAP operating income was \$207.9 million in the first quarter of fiscal 2009, compared to \$275.4 million in the first quarter of fiscal 2008 and \$273.2 million in the fourth quarter of fiscal 2008. As a percent of revenue, GAAP operating income in the first quarter of fiscal 2009 was 26.4 percent, compared to 30.9 percent in the first quarter of fiscal 2008 and 29.8 percent in the fourth quarter of fiscal 2008.

GAAP net income was \$156.4 million for the first quarter of fiscal 2009, compared to \$219.4 million reported in the first quarter of fiscal 2008 and \$245.9 million in the fourth quarter of fiscal 2008.

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### **First Quarter Fiscal 2009 Non-GAAP Results**

Non-GAAP diluted earnings per share for the first quarter of fiscal 2009 were \$0.45. This compares with non-GAAP diluted earnings per share of \$0.48 reported in the first quarter of fiscal 2008 and non-GAAP diluted earnings per share of \$0.60 reported in the fourth quarter of fiscal 2008.

Adobe's non-GAAP operating income was \$295.0 million in the first quarter of fiscal 2009, compared to \$359.0 million in the first quarter of fiscal 2008 and \$374.9 million in the fourth quarter of fiscal 2008. As a percent of revenue, non-GAAP operating income in the first quarter of fiscal 2009 was 37.5 percent, compared to 40.3 percent in the first quarter of fiscal 2008 and 41.0 percent in the fourth quarter of fiscal 2008.

Non-GAAP net income was \$236.8 million for the first quarter of fiscal 2009, compared to \$273.0 million in the first quarter of fiscal 2008 and \$320.9 million in the fourth quarter of fiscal 2008.

Reconciliation between GAAP and non-GAAP results is provided at the end of this press release.

### **Second Quarter Fiscal 2009 Financial Targets**

For the second quarter of fiscal 2009, Adobe is targeting Q2 revenue of \$675 million to \$725 million, an operating margin of 21 percent to 26 percent on a GAAP basis, and an operating margin of 32 percent to 36 percent on a non-GAAP basis.

In addition, Adobe is targeting its share count to be between 528 million and 530 million. The Company also is targeting non-operating income to be between \$1 million and \$2 million. Adobe's GAAP and non-GAAP tax rates are expected to be approximately 24 percent.

These targets lead to a second quarter diluted earnings per share target range of \$0.20 to \$0.27 on a GAAP basis, and an earnings per share target range of \$0.31 to \$0.38 on a non-GAAP basis.

Reconciliation between GAAP and non-GAAP financial targets is provided at the end of this press release.

### **Forward-Looking Statements Disclosure**

This press release contains forward-looking statements, including those related to revenue, operating income, operating margin, non-operating income, tax rate, share count, earnings per share and long-term market trends, which involve risks and uncertainties that could cause actual results to differ materially. Factors that might cause or contribute to such differences include, but are not limited to: adverse changes in general economic or political conditions in any of the major countries in which Adobe does business, failure to develop, market and distribute new products or upgrades to existing products that meet customer requirements, introduction of new products and business models by existing and new competitors, failure to successfully manage transitions to new business models and markets, difficulty in predicting revenue from new businesses, costs related to intellectual property acquisitions,

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disputes and litigation, inability to protect Adobe's intellectual property from third-party infringers, use, disclosure or malicious attack, failure to realize the anticipated benefits of past or future acquisitions and difficulty in integrating such acquisitions, failure to manage Adobe's sales and distribution channels effectively, disruption of Adobe's business due to catastrophic events, risks associated with international operations, fluctuations in foreign currency exchange rates, changes in, or interpretations of, accounting principles, impairment of Adobe's goodwill or intangible assets, unanticipated changes in, or interpretations of, tax rules and regulations, Adobe's inability to attract and retain key personnel, impairment of Adobe's investment portfolio due to deterioration of the capital markets, market risks associated with Adobe's equity investments, and interruptions or terminations in Adobe's relationships with turnkey assemblers. For further discussion of these and other risks and uncertainties, individuals should refer to Adobe's SEC filings.

The financial information set forth in this press release reflects estimates based on information available at this time. These amounts could differ from actual reported amounts stated in Adobe's Quarterly Report on Form 10-Q for our quarter ended Feb. 27, 2009, which the Company expects to file in April 2009. Adobe does not undertake an obligation to update forward-looking statements.

### About Adobe Systems Incorporated

Adobe revolutionizes how the world engages with ideas and information – anytime, anywhere and through any medium. For more information, [visit www.adobe.com](http://www.adobe.com).

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