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**FOR IMMEDIATE RELEASE**

## **Adobe Systems Provides Intra-Quarter Business Update**

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### **Company Expects Results Toward the Low End of Previously Provided Financial Target Ranges**

SAN JOSE, Calif. — May 2, 2006 — Adobe Systems Incorporated (NASDAQ: ADBE) today is providing its regular intra-quarter business update for its second quarter of fiscal 2006, which ends June 2, 2006.

With approximately five weeks remaining in the quarter, Adobe announced it believes it will achieve quarterly results toward the low end of the financial target ranges it provided on March 22, 2006. The Company's Q2 FY2006 target ranges are the following: revenue of \$640 to \$670 million; GAAP earnings per share of \$0.18 to \$0.21; non-GAAP earnings per share of \$0.30 to \$0.32; a GAAP operating margin of 22 to 24 percent; and a non-GAAP operating margin of 37 to 38 percent.

In its update, the Company indicated it experienced weaker than expected demand during the Spring holiday periods in Europe and North America.

The Company plans to report its second quarter fiscal 2006 results on June 15, 2006 after the market closes.

### **Adobe Announces Webcasts of Upcoming Investor Conference Participation**

Adobe also announced participation in the following May events with the financial community:

Baird 2006 Growth Stock Conference  
Chicago, IL  
Thursday May 11, 2006  
8:45 a.m. Eastern Time  
Murray Demo, Executive Vice President and CFO

JPMorgan Technology Conference  
San Francisco, CA  
Tuesday May 23, 2006  
11:00 a.m. Eastern Time  
Bruce Chizen, CEO

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UBS Enterprise Technology & Services Conference

New York, NY

Wednesday May 24, 2006

8:00 a.m. Eastern Time

Bruce Chizen, CEO

These investor conference presentations will be Webcast from Adobe's Web site at:

<http://www.adobe.com/ADBE>

Conference presentation times are subject to change at the discretion of the conference host. An archive of each Webcast will be available for a limited time.

**Forward Looking Statements Disclosure**

This press release contains forward looking statements, including those related to revenue, operating margin and earnings per share, 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, delays in development or shipment of Adobe's new products or major new versions of existing products, introduction of new products by existing and new competitors, failure to successfully manage transitions to new business models and markets, difficulty in predicting revenue from new businesses, failure to anticipate and develop new products in response to changes in demand for application software, computers and printers, intellectual property disputes and litigation, inability to protect Adobe's intellectual property from unauthorized copying, use, disclosure or malicious attack, failure to realize the anticipated benefits of past or future acquisitions and difficulty in integrating such acquisitions, changes to Adobe's distribution channel, disruption of Adobe's business due to catastrophic events, interruptions or terminations in Adobe's relationships with turnkey assemblers, risks associated with international operations, fluctuations in foreign currency exchange rates, changes in accounting rules and regulations, impairment of Adobe's goodwill or intangible assets, unanticipated changes in or interpretations of tax rates, Adobe's inability to attract and retain key personnel, and market risks associated with Adobe's equity investments. For further discussion of these and other risks and uncertainties, individuals should refer to Adobe's SEC filings. 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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### Second Quarter Non-GAAP Financial Targets

The following table shows Adobe's non-GAAP financial targets reconciled to GAAP financial targets included in this release.

	Second Quarter Fiscal 2006	
	Low	High
GAAP operating margin	22%	24%
Amortization of purchased technology	5	5
Amortization of purchased intangibles	3	3
SFAS 123R stock-based compensation	4	3
Amortization of Macromedia deferred compensation	3	3
Non-GAAP operating margin	<u>37%</u>	<u>38%</u>
Diluted net income per share:		
GAAP net income per share	\$ 0.18	\$ 0.21
Amortization of purchased technology, net of tax	0.04	0.04
Amortization of purchased intangibles, net of tax	0.02	0.02
SFAS 123R stock-based compensation, net of tax	0.04	0.03
Amortization of Macromedia deferred compensation, net of tax	0.02	0.02
Non-GAAP net income per share	<u>\$ 0.30</u>	<u>\$ 0.32</u>
Shares used in computing diluted net income per share (millions)	<u>621.0</u>	<u>621.0</u>

Adobe continues to provide all information required in accordance with GAAP, but it believes that evaluating its ongoing operating results may not be as useful if an investor is limited to reviewing only GAAP financial measures. Accordingly, Adobe uses non-GAAP financial information to evaluate its ongoing operations and for internal planning and forecasting purposes. Adobe's management does not itself, nor does it suggest that investors should, consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Adobe presents such non-GAAP financial measures in reporting its financial results to provide investors with an additional tool to evaluate Adobe's operating results in a manner that focuses on what Adobe believes to be its ongoing business operations. Adobe's management believes it is useful for itself and investors to review, as applicable, both GAAP information that includes the stock compensation impact of SFAS 123R, restructuring and other charges, amortization of purchased intangibles and incomplete technology, amortization of Macromedia deferred compensation, investment gains and losses, tax differences related to the timing and deductibility of the Macromedia acquisition-related charges and SFAS 123R stock-based compensation, and the non-GAAP measures that exclude such information in order to assess the performance of Adobe's business and for planning and forecasting in subsequent periods. Whenever Adobe uses such a non-GAAP financial measure, it provides a reconciliation of the non-GAAP financial measure to the most closely applicable GAAP financial measure. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measure as detailed above.

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Adobe's GAAP financial information and targets include the stock compensation impact of SFAS 123R, restructuring and other charges, amortization of purchased intangibles and incomplete technology, amortization of Macromedia deferred compensation, and tax differences related to the timing and deductibility of the Macromedia acquisition-related charges and SFAS 123R stock-based compensation. Also, in accordance with GAAP, Adobe incurs investment gains and losses from its venture programs. These charges are otherwise unrelated to Adobe's ongoing business operations and are excluded from its non-GAAP financial information and targets.