



Investor Relations Contact
Mike Saviage
Adobe Systems Incorporated
408-536-4416
ir@adobe.com

Public Relations Contact
Holly Campbell
Adobe Systems Incorporated
408-536-6401
campbell@adobe.com

FOR IMMEDIATE RELEASE

Adobe to Outline Business Strategy and Outlook for Growth at Financial Analyst Meeting Today

Company Reaffirms Q4 FY2010 Financial Targets and Expects 10 Percent Growth in FY2011

LOS ANGELES — Oct. 27, 2010 — Adobe Systems Incorporated (Nasdaq:ADBE) will host its annual Financial Analyst Meeting with the financial community today in Los Angeles, CA. The meeting will be broadcast live in Adobe Connect from Adobe's website (<http://www.adobe.com/go/analystmeeting>) beginning at 11:00 a.m. Eastern Time. For those unable to attend the meeting or watch the Webcast, an archive of the event will be available on Adobe's investor relations website for a limited time.

At the meeting, senior executives will outline macro trends that are driving the company's fastest growing market segments, and the technology solutions and business strategies that will drive growth for Adobe. The macro trends include the multiscreen explosion, which is dramatically transforming how content is created, distributed and consumed; data-driven marketing, which is increasingly critical to enterprises as they seek to optimize online performance and gather customer insights; and the rise of the digital enterprise, where companies and governments are rapidly moving customer-facing processes online.

"Our solutions are empowering individuals and enterprises to create, manage, deliver, and optimize digital experiences across devices and operating systems, and our growth this year and outlook for next year are a reflection of this massive opportunity," said Shantanu Narayen, Adobe president and CEO.

Adobe Provides Financial Targets

Adobe announced today it is targeting 10 percent revenue growth in fiscal year 2011.

The company also provided an intra-quarter business update for its fourth quarter ending Dec. 3, 2010. With approximately five weeks remaining in the quarter, Adobe announced it believes it will achieve quarterly results within the revenue and earnings target ranges it provided on Sept. 21, 2010. The Company's Q4 target ranges are the following: revenue of \$950 million to \$1 billion, GAAP diluted earnings per share of \$0.35 to \$0.41, non-GAAP diluted earnings per share of \$0.48 to \$0.54, a GAAP operating margin of 27 to 30 percent, and a non-GAAP operating margin of 37 to 38 percent.

Adobe to Outline Business Strategy and Outlook for Growth at Financial Analyst Meeting Today

A reconciliation between the Company's GAAP and non-GAAP financial targets is provided at the end of this press release. The fourth quarter financial targets do not include the impact of Adobe's acquisition of Day Software announced July 27, 2010, which is expected to close tomorrow, Oct. 28, 2010. Adobe plans to report its fourth quarter results on Dec. 20, 2010 after the market closes.

Forward-Looking Statements Disclosure

This press release contains forward-looking statements, including those related to revenue, operating margin, earnings per share and a pending acquisition, 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, disputes and litigation, inability to protect Adobe's intellectual property from third-party infringers, or unauthorized 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, 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. Adobe does not undertake an obligation to update forward-looking statements.

About Adobe Systems Incorporated

Adobe is changing the world through digital experiences. For more information, visit www.adobe.com.

###

Adobe to Outline Business Strategy and Outlook for Growth at Financial Analyst Meeting Today

Fourth Quarter Non-GAAP Financial Targets

(In millions, except per share data and percentages)

The following tables show the Company's fourth quarter fiscal year 2010 GAAP financial targets reconciled to non-GAAP financial targets included in this release.

	Fourth Quarter Fiscal 2010	
	Low	High
Operating margin:		
GAAP operating margin	27.0%	30.0%
Stock-based and deferred compensation expense	6.7	5.0
Restructuring charges.....	0.1	—
Amortization of purchased intangibles	3.2	3.0
Non-GAAP operating margin	<u>37.0%</u>	<u>38.0%</u>

	Fourth Quarter Fiscal 2010	
	Low	High
Diluted net income per share:		
GAAP diluted net income per share	\$ 0.35	\$ 0.41
Stock-based and deferred compensation expense	0.11	0.11
Amortization of purchased intangibles	0.06	0.06
Income tax adjustments.....	(0.04)	(0.04)
Non-GAAP diluted net income per share	<u>\$ 0.48</u>	<u>\$ 0.54</u>
Shares used to compute diluted net income per share	<u>520.0</u>	<u>516.0</u>

Adobe continues to provide all information required in accordance with GAAP, but believes 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-based and deferred compensation expenses, restructuring charges, amortization of purchased intangibles, and the related tax impact of all of these items, the income tax effect of the non-GAAP pre-tax adjustments from the provision for income taxes, 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.