

Adobe Systems Reports Strong First Quarter Fiscal 2003 Results

Pro Forma Results

(In thousands, except per share data)
(Unaudited)

The following table shows the Company's pro forma results reconciled to the Generally Accepted Accounting Principles ("GAAP") Condensed Consolidated Statements of Income table included on page 4 of this release. The Company's pro forma results do not include restructuring and other charges, acquired in-process research and development, amortization and impairment of goodwill and purchased intangibles, or gains and losses on investments in equity securities.

	<u>Three Months Ended</u>	
	<u>February 28</u>	<u>March 1</u>
	<u>2003</u>	<u>2002</u>
Income before income taxes	\$ 77,465	\$ 73,247
Acquired in-process research and development	—	5,359
Amortization of goodwill and purchased intangibles	—	3,541
Investment (gain) loss	<u>6,692</u>	<u>(4,533)</u>
Proforma income before income taxes	84,157	77,614
Income tax provision	<u>25,247</u>	<u>24,836</u>
Proforma net income	<u>58,910</u>	<u>52,778</u>
Basic proforma net income per share	<u>\$.25</u>	<u>\$.22</u>
Shares used in computing basic net income per share	<u>231,084</u>	<u>236,581</u>
Diluted net income per share	<u>\$.25</u>	<u>\$.22</u>
Shares used in computing diluted net income per share	<u>235,294</u>	<u>245,245</u>

The above results do not reflect GAAP, but are supplied because Adobe believes they help to more meaningfully evaluate and compare the results of our ongoing operations from quarter to quarter by removing certain non-operating items from the financial information.