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**FOR IMMEDIATE RELEASE**

## **Adobe Reaffirms Q2 and FY2008 Financial Targets**

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### **Company to Outline Business Strategy at Financial Analyst Meeting**

SAN JOSE, Calif. — May 1, 2008 — Adobe Systems Incorporated (Nasdaq:ADBE) today provided an intra-quarter business update for its second quarter ending May 30, 2008.

With approximately four weeks remaining in the quarter, Adobe announced it believes it will achieve quarterly results near the high end of the revenue and earnings target ranges it provided on March 18, 2008. The Company's Q2 FY2008 target ranges are the following: revenue of \$855 to \$885 million, GAAP diluted earnings per share of \$0.35 to \$0.37, non-GAAP diluted earnings per share of \$0.45 to \$0.47, a GAAP operating margin of 29 to 30 percent, and a non-GAAP operating margin of approximately 39 percent.

The Company plans to report its second quarter results on June 16, 2008 after the market closes.

### **Adobe Reaffirms Fiscal 2008 Annual Financial Targets**

Adobe also announced today it is reaffirming its financial targets for fiscal year 2008. The Company said it continues to target fiscal 2008 annual revenue growth of approximately 13 percent, with a GAAP annual operating margin target of approximately 30 percent, and a non-GAAP annual operating margin target of approximately 39 percent.

In addition, Adobe continues to target GAAP diluted earnings per share of \$1.45 to \$1.51. On a non-GAAP basis, the Company continues to target diluted earnings per share of \$1.86 to \$1.92.

A reconciliation between the Company's GAAP and non-GAAP financial targets is provided at the end of this press release.

### **Company to Outline Business Strategy at Financial Analyst Meeting**

Adobe's management team plans to discuss its market opportunities and business strategy at its 2008 Financial Analyst Meeting, which will be held today in San Francisco, CA. The meeting will be broadcast live in Adobe Acrobat Connect from Adobe's Website (<http://www.adobe.com/go/analystmeeting>) beginning at 1:00 p.m. Eastern Time. For

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those unable to attend the meeting or watch the Webcast, an archive of the event will be available on Adobe.com for a limited time.

**Forward-Looking Statements Disclosure**

This press release contains forward-looking statements, including those related to revenue, operating margin, earnings per share and product release timing 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: delays in development or shipment of Adobe's new products or upgrades to existing products, introduction of new products and business models by existing and new competitors, failure to successfully manage transitions to new business models and markets, failure to anticipate and develop new products and services in response to changes in demand for application software and software delivery, computers, printers, or other non PC-devices, adverse changes in general economic or political conditions in any of the major countries in which Adobe does business, difficulty in predicting revenue from new businesses, costs related to intellectual property acquisitions, 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, 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 our investment portfolio due to further 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 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 and Fiscal Year 2008 Non-GAAP Financial Targets**

(In millions, except per share data)

The following tables show the Company's second quarter and fiscal year 2008 non-GAAP financial targets reconciled to GAAP financial targets included in this release.

	Second Quarter Fiscal 2008		Fiscal 2008
	Low	High	
GAAP operating margin	29.0%	30.0%	30.0%
Stock-based compensation	5.3	4.7	4.7
Amortization of purchased intangibles	4.7	4.3	4.3
Non-GAAP operating margin	39.0%	39.0%	39.0%

	Second Quarter Fiscal 2008		Fiscal 2008	
	Low	High	Low	High
Diluted net income per share:				
GAAP net income per share	\$ 0.35	\$ 0.37	\$ 1.45	\$ 1.51
Stock-based compensation, net of tax	0.06	0.06	0.22	0.22
Amortization of purchased intangibles, net of tax	0.05	0.05	0.20	0.20
Investment gain, net of tax	(0.01)	(0.01)	(0.01)	(0.01)
Non-GAAP net income per share	\$ 0.45	\$ 0.47	\$ 1.86	\$ 1.92
Shares used in computing diluted net income per share	550.0	546.0	555.0	551.0

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 compensation impact of SFAS 123R, amortization of purchased intangibles and incomplete technology, investment gains and losses and the related tax impact of these items, 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.