



Adobe Systems Incorporated
345 Park Avenue
San Jose, CA 95110-2704
Phone: 408-536-6000
Fax: 408-537-6000

To our stockholders:

Like many companies in 2009, Adobe faced the challenges of a global economy in recession. Although our revenue declined, we managed our expenses well and delivered solid profit margins and earnings, even as other companies struggled to maintain profitability. We also invested in Adobe's future and are prepared to resume our growth as the macroeconomic environment improves.

During fiscal year 2009, we achieved exciting progress with the Adobe® Flash® Platform, our integrated set of technologies for creating and delivering compelling applications, content, and video to the widest possible audience. In the last year, we expanded the capabilities of the platform, while also forging new partnerships with industry leaders through the Open Screen Project.™ Another highlight of fiscal 2009 was the release of Adobe LiveCycle® ES2, which helps enterprises and government agencies improve how they interface with their customers and constituents. Finally, we extended our product portfolio by acquiring Omniture, Inc., a leading provider of Software as a Service (SaaS) products and services that help customers analyze and optimize their websites.

Financial snapshot: Fiscal year 2009

Revenue in fiscal 2009 was \$2.95 billion, an 18% decrease from the revenue we achieved in fiscal 2008. Given this decline in revenue, primarily due to the global macroeconomic environment, we proactively decreased our operating expenses to deliver a 23.4% operating margin during the year. We also delivered annual net income of \$386.5 million in fiscal 2009, with diluted earnings per share of \$0.73.

In addition, we remained focused on maintaining a healthy balance sheet, and ended the fiscal year with a cash, cash equivalents, and short-term investments position of \$1.9 billion. Results from our operations once again generated strong cash flow, which we used to invest in Adobe's future. We also repurchased approximately 15.2 million shares of common stock. This action returned approximately \$425 million to our stockholders, underscoring Adobe's commitment to delivering long-term value to investors.

Our world is changing

Throughout Adobe's history, we have driven and capitalized on paradigm shifts in our industry—from print to web publishing, from paper to electronic documents, and from static content to dynamic and interactive experiences. As we look forward, one thing is certain: Technology trends continue to change the business landscape. These trends create challenges for our customers, and they create opportunities for Adobe. Over the past year, we have worked to position the company to take advantage of the following industry shifts:

How people use software is changing—Using software is no longer a solitary experience. People are collaborating on projects, using not only traditional desktop software, but also online tools and social services. This collaboration is occurring on personal computers, mobile devices, and other Internet-connected devices.

How software is developed is changing—Customers of software products and services increasingly expect more frequent updates and enhancements, and they want them delivered both traditionally to their desktop and as services in new SaaS models. In addition, as the line between designers and developers blurs, demand is growing for a new generation of tools and services to make it easier for the two roles to work together. Finally, users are playing a far more active role in the development of the products they use. Their feedback is revolutionizing the development process by actually driving the innovation they want and need.

How companies engage with customers is changing—The web and software infrastructure have evolved to support richer, more engaging experiences. For example, retailers and financial institutions are now providing customers with online experiences that enable them to customize products and analyze data in vibrant, interactive applications. Furthermore, new technologies offer businesses an unprecedented opportunity to analyze users' web activity and optimize content based on that activity. The result is more personalized experiences that improve online marketing performance.

Adobe's opportunities ahead

These trends present significant opportunities for Adobe. More than any other company, Adobe offers a comprehensive set of tools, services, and technologies that enable businesses to create sophisticated online experiences, deploy them consistently across screens, and continually optimize them to meet customer needs.

Adobe Flash Platform

At the core of our strategy is the Flash Platform, which offers broad client reach and cross-platform consistency: Over 98% of Internet-connected PCs run Adobe Flash Player, and more than one billion mobile devices worldwide include a Flash Player client. In 2009, Adobe announced new partnerships with leading mobile device manufacturers that will further increase deployment of the Flash Platform.

In fiscal 2010, we expect our newest version of Flash Player to be delivered on leading smartphone platforms, as well as other non-PC devices such as Internet-connected TVs. New partners in the Open Screen Project, including Google and Research In Motion, share our vision to deliver innovative experiences on smartphones and have committed to using our latest Flash Platform technology to accelerate adoption of their devices.

Meanwhile, Flash continues to be the preferred video format on the web, largely due to the widespread presence of Flash Player and the advancements we have made with content protection and streaming technology. It is estimated that approximately 75% of all video watched online is viewed using Adobe products and solutions. In the coming year, we will continue to invest in the Flash Platform and its video capabilities to optimize the user experience and create additional revenue opportunities.

Designers and developers increasingly choose the Flash Platform to deliver engaging experiences that work across PCs and non-PC devices. They also wish to deliver those experiences both inside the web browser and on the desktop. Adobe AIR®, a runtime that lets developers build applications that run outside the browser on multiple operating systems, has helped enable the delivery of these next-generation experiences. Adobe AIR has now been downloaded more than 250 million times.

In fiscal 2009, we delivered a beta version of Adobe Flash Catalyst™, a new tool that empowers designers to create expressive web interfaces and interactive content without having to write programming code. Customer feedback on the software has been enthusiastic. Additionally, we revamped Adobe Flash Builder™ (formerly Flex® Builder™) to improve how developers create cutting-edge applications built on Flex, our open source framework for delivering engaging and interactive experiences.

As we move into fiscal 2010, we are excited to deliver new products and solutions that leverage the reach and capabilities of the Flash Platform.

Adobe Creative Suite

In fiscal 2010, we will be releasing a new version of our flagship product family, Adobe Creative Suite®. With new and updated products, many "wow" features, improved product integration to increase user productivity, and support for the latest operating systems and platforms, we expect the next version of Creative Suite to have a significant impact on the industry. We believe that customers who face the everyday challenge of delivering consistent, engaging experiences across all media (print, web, video) and across screens of all sizes (PC, mobile, TV) will view it as a "must-have" release.

Omniture

We are equally excited about our opportunity to integrate and deliver technologies we acquired with Omniture. This was our largest and most strategic acquisition since we acquired Macromedia in 2005. By combining our industry-leading content creation and delivery technologies with Omniture® web analytics and site optimization technologies, Adobe will now be better able to provide transformative e-commerce solutions accessible across all digital content, platforms, and devices.

Enterprise software

In fiscal 2009, we gained more Adobe Acrobat® customers, as large enterprises and government agencies employed Acrobat to deliver and collaborate on information inside and outside their organizations. Adobe PDF remains the global standard for delivering reliable and secure information exactly as intended, and in fiscal 2010, we will unveil a new version of Acrobat that builds upon this success. The next version of Acrobat will focus on users' ongoing transition from paper to digital media, as well as capitalize on the growing customer need to improve how people collaborate on paper-based information.

Another significant opportunity is customer interaction solutions. Enterprises are seeing an increasing need for rich, interactive, web-based applications that make it easier for users to access and interact with their systems. By combining the document service capabilities of our Adobe LiveCycle solutions with the intuitive user interfaces and applications that developers can create using the Flash Platform, Adobe is uniquely positioned to provide solutions for this expanding opportunity.

Adobe Acrobat Connect™ Pro, our cross-platform web conferencing solution, is also integral to our enterprise software strategy. Acrobat Connect Pro provides the rich, secure, collaboration-enabled business processes that users desire, delivered through the ubiquitous Flash Player.

Our customers

Adobe is one of the most diverse software companies in the world. Our customers span the globe and range from enterprises to individual consumers, large media companies to small design agencies, and CIOs to students. Every day, they use Adobe products with household names such as Adobe Photoshop®, Adobe Acrobat, and Adobe Flash. The Omniture acquisition augments our established product line with a new set of SaaS solutions that broadens the scope and size of our addressable market. With this distinguished portfolio of products, our large and loyal customer base, and new versions of many of our technologies coming in fiscal 2010, Adobe is ready to lead the next wave of industry innovation.

Social, ethical, and environmental responsibility

At Adobe, we take pride not only in our products, but also in making a positive impact on the communities where we live and work. Since the company was founded in 1982, we have been guided by a core set of values for conducting business in a socially, ethically, and environmentally responsible manner.

Our corporate giving programs, now organized under the Adobe Foundation, benefit a wide variety of causes, from supporting education and the arts to reducing hunger and homelessness. In fiscal year 2009, the Adobe Foundation provided more than \$7.6 million in grants.

We are particularly proud of our signature philanthropy program, Adobe Youth Voices, which provides youth in underserved communities with the critical skills they need to become active, engaged members of their communities and the world at large. The Adobe Youth Voices global network now includes more than 550 sites, grantees, and organizations in 32 countries. Since its inception, the program has engaged more than 27,000 youth and 1,700 educators in schools and in out-of-school programs.

Our environmental sustainability initiatives also remain a priority, including efforts related to our facilities and product packaging, as well as our day-to-day operations. In fiscal 2009, we increased our total LEED (Leadership in Energy and Environmental Design) Certified building space and extended recycling and water conservation programs. Our efforts were recognized by *Newsweek* magazine, which placed Adobe 16th in its 2009 environmental ranking of America's 500 largest corporations. In 2010, Adobe will build on its commitment to environmental sustainability by installing 20 wind turbines to help power the San Jose headquarters. We are also exploring the use of natural gas-fired fuel cells, which would generate electricity on-site from natural gas.

An honor for our past, an eye to the future

In October 2009, Adobe was recognized at a White House ceremony in Washington, where President Barack Obama awarded Adobe cofounders John Warnock and Chuck Geschke the National Medal of Technology and Innovation. We regard this honor as recognition of the work all Adobe employees have done to contribute to the company's success for more than a quarter century.

As we move ahead into fiscal year 2010, Adobe remains committed to a high standard of excellence in all aspects of our business. In the coming year, we will execute aggressively against our strategy with an eye toward returning to double-digit annual revenue growth, while continuing to fulfill our mission of revolutionizing how the world engages with ideas and information.

Sincerely,



Shantanu Narayen
President and Chief Executive Officer



John E. Warnock
Chairman of the Board



Charles M. Geschke
Chairman of the Board

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Chief Executive Officer*

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*Executive Vice President and
Chief Financial Officer*

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*Senior Vice President,
General Counsel and
Corporate Secretary*

Josh James
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Omniure Business Unit*

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*Senior Vice President, Creative
Solutions Business Unit*

Kevin Lynch
*Senior Vice President
and Chief Technology Officer*

Rob Tarkoff
*Senior Vice President, Business
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Matt Thompson
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Worldwide Field Operations*

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Risks and uncertainties

This document contains forward-looking statements, including statements regarding product plans, future growth, and market opportunities, 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, those discussed in our SEC filings, including the 2009 Annual Report on Form 10-K and quarterly reports on Form 10-Q to be filed in 2010. When used in this document, the words "expects," "anticipates," "intends," "plans," "believes," "seeks," "targets," "estimates," and similar expressions, as well as descriptions of our focus for the future, are generally intended to identify forward-looking statements. You should not place undue reliance on the forward-looking statements, which speak only as of the date of this document. We undertake no obligation to publicly release any revisions to the forward-looking statements that reflect events or circumstances after the date of this document.

Investor relations

If you would like to receive additional financial documents, such as prior annual reports, earnings press releases, or Adobe's SEC filings on Form 10-Q or Form 10-K, you can request them without charge by calling 408-536-4700 or sending an email to adobe@kpcorp.com. Please include your contact information with the request. You can obtain Adobe financial calendar information such as earnings release dates, listen to Adobe management conference calls, view recent Adobe investor presentations, sign up to automatically receive Adobe investor news via email, and obtain other Adobe finance-related documents online at www.adobe.com/ADBE.

*To contact Adobe's Investor
Relations department, please
use the following information:*

Investor Relations
Department
Adobe Systems Incorporated
345 Park Avenue
San Jose, CA 95110-2704
USA
Tel: 408-536-4416
ir@adobe.com

*To report a change of address
or lost stock certificates,
please notify our Transfer
Agent:*

Shareholder Communications
Computershare Investor
Services LLC
250 Royall Street
Canton, MA 02021 USA
Tel: 800-455-1130

Stock exchange listing

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