



Public Tender Offer

by

Adobe Systems Benelux B.V., Amsterdam

for all publicly held registered shares with a nominal value of CHF 10 each of

Day Software Holding AG, Basel

Offer Price:

CHF 139 net (the **Offer Price**) per registered share of Day Software Holding AG (**Day**) with a nominal value of CHF 10 each (each, a **Day Share**).

The Offer Price will be reduced by the gross amount of any dilutive effects in respect of the Day Shares prior to the consummation of the Offer, including, but not limited to, dividend payments and other distributions of any kind, demergers, capital increases and the sale of treasury shares with an issuance price or sales price per Day Share below the Offer Price, the purchase of Day Shares with a purchase price above the Offer Price, the issuance of options, warrants, convertible securities and other rights of any kind to acquire Day Shares, and repayments of capital.

Offer Period:

From September 7, 2010 to October 4, 2010, 4:00 p.m. CEST (subject to extension).

Tender Agent:

UBS AG

| | | | |
|---|----------------|--------------|---------------|
| Day Software Holding AG | Securities-No. | ISIN | Ticker Symbol |
| Registered shares not tendered (first trading line) | 1.047.421 | CH0010474218 | DAYN |
| Registered shares tendered (second trading line) | 11.622.532 | CH0116225324 | DAYNE |

Offer Prospectus dated August 23, 2010

Offer Restrictions

General

The public tender offer (*Öffentliches Kaufangebot*) described in this Offer Prospectus (the **Offer**) is not being made, directly or indirectly, in any country or jurisdiction in which such Offer would be considered unlawful or otherwise violate any applicable laws or regulations, or which would require Adobe Systems Benelux B.V. (**Adobe**) or any of its affiliates to change or amend the terms or conditions of the Offer in any way, to make any additional filing with or take any additional action in relation to any governmental, regulatory or legal authority. It is not intended to extend the Offer to any such country or jurisdiction. Documents relating to the Offer must neither be distributed in any such country or jurisdiction nor be sent into such country or jurisdiction. Such documents must not be used for the purpose of soliciting the purchase of any securities of Day by anyone in any such country or jurisdiction.

Notice to U.S. Holders

The Offer is being made for the securities of Day, a Swiss company, and is subject to Swiss disclosure requirements, which are different from those of the United States (U.S.). U.S. holders of Day Shares are encouraged to consult with their own Swiss advisors in connection with the Offer.

The receipt of cash pursuant to the Offer by a U.S. holder of Day Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other tax laws. Each shareholder of Day is urged to consult his independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.

It may be difficult for U.S. holders to enforce their rights and any claim arising out of U.S. federal securities laws, since Adobe and Day are each located in a non-U.S. jurisdiction, and some or all of their officers and directors may be residents of a non-U.S. jurisdiction. U.S. holders may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

You should be aware that Adobe and any of its affiliates and any advisor, broker or financial institution acting as an agent or for the account or benefit of Adobe may, subject to applicable Swiss and U.S. securities laws, rules and regulations and pursuant to exemptive relief granted by the U.S. Securities and Exchange Commission from Rule 14e5 under the Securities Exchange Act of 1934, as amended, make certain purchases of, or arrangements to purchase, Day Shares from shareholders of Day who are willing to sell their Day Shares outside the Offer from time to time, including purchases in the open market at prevailing prices or in private transactions at negotiated prices. Adobe will disclose promptly any information regarding such purchases of Day Shares in Switzerland and the United States through the electronic media, if and to the extent required under applicable laws, rules and regulations in Switzerland.

American Depositary Shares

The Offer is not being addressed to holders of Day Shares in the form of Day American Depositary Shares (**ADSs**). However, the Offer is being made for the Day Shares underlying the Day ADSs. Adobe is putting into place procedures for holders of Day ADSs to direct BNY Mellon Shareowner Services to tender on their behalf the Day Shares represented by their Day ADSs. Payment of the Offer Price pursuant to such procedures shall be made upon compliance with the terms of the deposit agreement relating to the Day ADS program, including conversion into U.S. dollars, less the fees of BNY Mellon, the Depositary Bank responsible for the Day ADS program (the **Depositary**), and any fees and expenses in connection with currency conversions and applicable taxes. More information about the acceptance procedures for Day ADS holders will be available at www.adobe.com/aboutadobe/invrelations/. Holders of Day ADSs using this procedure will not need to have an account in Switzerland into which the Day Shares can be delivered.

Holders of Day ADSs may also present their Day ADSs to the Depositary (telephone: +1 212 815 2231), for cancellation and (upon compliance with the terms of the deposit agreement relating to the Day ADS

program, including payment of the Depositary's fees and any applicable transfer fees, taxes and governmental charges) delivery of Day Shares to them, in order to become shareholders of Day. The Offer may then be accepted in accordance with this Offer Prospectus for the Day Shares delivered to holders of Day ADSs upon such cancellation. Holders of Day ADSs should be aware, however, that in order to tender in this manner, they will need to have an account in Switzerland into which the Day Shares can be delivered.

Holders of Day ADSs should also be aware that there will not be a separate offer for Day ADSs in ADS form, and such holders will need to follow one of the procedures described above to participate in the Offer.

A. Background of the Offer

Adobe is a wholly-owned, indirect subsidiary of Adobe Systems Incorporated, a corporation organized under the laws of Delaware (DE), USA, with its principal place of business in San Jose (CA), USA. Adobe is a company with limited liability (*Besloten vennootschap; B.V.*) governed by the laws of the Netherlands, having its registered office in Amsterdam, the Netherlands. Adobe Systems Incorporated is one of the largest and most diversified software companies in the world, with worldwide consolidated annual sales (business year 2009) of approximately USD 2.9 billion (approximately CHF 3.0 billion). Adobe Systems Incorporated's common stock is listed on the NASDAQ Global Select Market (ticker symbol ADBE). Day is an international company with its corporate seat in Basel, Switzerland, and headquarters in Basel, Switzerland and Boston, Massachusetts, USA. Day's registered shares are traded since April 2000 on the SIX Swiss Exchange (**SIX**) (ticker symbol DAYN) and "over the counter" in the form of ADSs (ticker symbol DYIHY). Day is the enterprise-content-management (ECM) pioneer that leading global enterprises rely on for their Web 2.0 content application and content infrastructure needs. Adobe Systems Incorporated intends to acquire Day to integrate into its group and add complementary web content management solutions to its enterprise offerings.

On July 28, 2010, Adobe Systems Incorporated and Day entered into a transaction agreement (the **Transaction Agreement**), pursuant to which Adobe Systems Incorporated agreed to submit, and the board of directors of Day agreed to recommend the present Offer (see Section E.4 (*Agreements between Adobe and Day and their Directors, Officers and Shareholders; Transaction Agreement*)). By means of the Offer, Adobe intends to fully take over Day and to fully integrate the Day group into the Adobe group after consummation of the Offer (the **Settlement**).

On July 27, 2010, the following individuals entered into tender undertakings with Adobe, providing for the obligation of such individuals to tender in the aggregate 173,746 Day Shares (corresponding to 11.26% of the Day Shares registered in the Commercial Register as per August 19, 2010) into the Offer: Barry Bycoff (Chairman of Day), Erik Hansen (CEO and member of the board of directors of Day), Michael Moppert (member of the board of directors of Day), David Arnott (member of the board of directors of Day) and Mark L. Walsh (member of the board of directors of Day) (see Section E.4 (*Agreements between Adobe and Day and their Directors, Officers and Shareholders; Tender Undertakings*)).

B. The Offer

- 1. Pre-Announcement** Adobe made a pre-announcement (the **Pre-Announcement**) of this Offer in accordance with articles 5 et seq. of the Ordinance of the Swiss Takeover Board on Public Takeover Offers (*Verordnung der übernahmekommission über öffentliche Kaufangebote*; the **Takeover Ordinance**). The Pre-Announcement was published on July 28, 2010 before the opening of the stock market in Switzerland in the electronic media and on July 30, 2010 in the *Neue Zürcher Zeitung* (in German) and in *Le Temps* (in French).
- 2. Object of the Offer** The Offer extends to all publicly held Day Shares, including all Day Shares issued by the end of the Additional Acceptance Period (as defined in Section B.6 (*Additional Acceptance Period*)) to any of Day's directors, officers or employees as a result of the exercise of one or more Options (as defined in Section E.2 (*Share Capital and Outstanding Options; Outstanding Options*)),

utilizing shares from Day's conditional capital. There exist no other financial instruments which could result in an issuance of further Day Shares by the end of the Additional Acceptance Period (as defined in Section B.6 (*Additional Acceptance Period*)).

The Offer does not extend to Day Shares held by Adobe Systems Incorporated or any of its subsidiaries (including Adobe), nor to Day Shares held by Day or any of its subsidiaries, nor to ADSs of Day.

Accordingly, the Offer relates to a maximum number of 1,744,921 Day Shares, calculated per July 28, 2010 (date of Pre-Announcement) as follows:

| | Day Shares |
|--|-------------------|
| Issued Day Shares | 1,572,040* |
| Day Shares held by Adobe Systems Incorporated or any of its subsidiaries (including Adobe) | 0 |
| Day Shares held by Day or any of its subsidiaries | -35* |
| Maximum number of Day Shares to be issued by the end of the Additional Acceptance Period utilizing shares from Day's conditional capital | +172,916* |
| Maximum Number of Day Shares to which the Offer extends | 1,744,921 |

* According to information received from Day (as per July 28, 2010)

Day has agreed with Adobe not to sell, from the date of the Pre-Announcement until the date six months after the end of the Additional Acceptance Period (as defined in Section B.6 (*Additional Acceptance Period*)), any of the Day Shares it or any of its subsidiaries hold as treasury shares (see Section E.4 (*Agreements between Adobe and Day and their Directors, Officers and Shareholders; Transaction Agreement*)), except for the use of treasury Day Shares for purposes of the Day Option Plans (as defined in Section E.2 (*Share Capital and Outstanding Options*)).

3. Offer Price

The Offer Price for each Day Share is CHF 139 net. This implies a premium of 59.2% to the volume-weighted average price of all on-exchange transactions in Day Shares on the SIX executed during the sixty trading days prior to the publication of the Pre-Announcement (which amounts to CHF 87.30).

The Offer Price will be reduced by the gross amount of any dilutive effects in respect of the Day Shares prior to the Settlement, including, but not limited to, dividend payments and other distributions of any kind, demergers, capital increases and the sale of treasury shares with an issuance price or sales price per Day Share below the Offer Price, the purchase of Day Shares with a purchase price above the Offer Price, the issuance of options, warrants, convertible securities and other rights of any kind to acquire Day Shares, and repayments of capital.

Historical price trend of Day Shares since 2006:

| | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010**</u> |
|-------|-------------|-------------|-------------|-------------|---------------|
| High* | 31.30 | 64.90 | 41.00 | 74.25 | 105.00 |
| Low* | 22.25 | 28.70 | 13.75 | 12.55 | 71.75 |

* Daily closing price in CHF

** From January 1 until July 27, 2010 (last trading day prior to the Pre-Announcement)

Source: Bloomberg

- 4. Cooling-off Period** If not extended by the Takeover Board, a cooling-off period of 10 trading days (the **Cooling-off Period**) will run from the publication of this Offer Prospectus, i.e., from August 24, 2010 to September 6, 2010. The Offer may be accepted only after the expiration of the Cooling-off Period.
- 5. Offer Period** If the Cooling-off Period is not extended by the Takeover Board, the offer period is expected to begin on September 7, 2010 and to end on October 4, 2010, 4:00 p.m. CEST (the **Offer Period**).
- Adobe reserves the right to extend the Offer Period (once or several times). In such case the start of the Additional Acceptance Period (as defined in Section B.6 (*Additional Acceptance Period*)) and the Settlement Date (as defined in Section L.5 (*Payment of the Offer Price; Settlement Date*)) will be deferred accordingly. An extension of the Offer Period beyond 40 trading days may occur only with the consent of the Takeover Board.
- 6. Additional Acceptance Period** After expiry of the (possibly extended) Offer Period and if the Offer is declared successful (*zu Stande gekommen*), an additional acceptance period of 10 trading days for subsequent acceptance of the Offer will run. If the Cooling-off Period is not extended by the Takeover Board and if the Offer Period is not extended, the additional acceptance period is expected to run from October 11, 2010 and end on October 22, 2010, 4:00 p.m. CEST (the **Additional Acceptance Period**).
- 7. Conditions** The Offer is subject to the following conditions:
- (a) By the end of the (possibly extended) Offer Period, Adobe shall have received valid acceptances for Day Shares representing, when combined with the Day Shares which Adobe Systems Incorporated and its subsidiaries will own at the end of the (possibly extended) Offer Period (excluding the Day Shares owned by Day and its subsidiaries at that time), at least 66.7% of all Day Shares issued at the end of the (possibly extended) Offer Period or the issuance of which has been approved by a shareholders' meeting or the board of directors of Day between the date of the Pre-Announcement and the end of the (possibly extended) Offer Period.
 - (b) To the extent required, all waiting periods applicable to the acquisition of Day by Adobe shall have expired or been terminated and all competent merger control authorities and all other competent regulatory authorities shall have approved, and/or, as the case may be, not prohibited or objected to, the Offer and the acquisition of Day by Adobe, without them or their group companies being required to meet any condition or requirement that has a Material Adverse Effect on Day or Adobe Systems Incorporated, including their direct and indirect subsidiaries. For purposes of this Offer, a **Material Adverse Effect** shall mean any matter or event that, in the opinion of a reputed,

independent accounting firm or investment bank appointed by Adobe, individually or together with other matters or events is suitable to cause a reduction of:

- (i) the annual consolidated earnings before interest and taxes (**EBIT**) of CHF 642,900 (corresponding to 15% of the EBIT of the Day group in the financial year 2009 as per the annual report 2009 of Day) or more; or
 - (ii) the annual consolidated sales of CHF 2,725,500 (corresponding to 7.5% of the consolidated sales of the Day group in the financial year 2009 as per the annual report 2009 of Day) or more; or
 - (iii) the consolidated shareholders' equity of CHF 2,693,100 (corresponding to 15% of the consolidated shareholders' equity of the Day group as at December 31, 2009, as per the annual report 2009 of Day) or more.
- (c) No court or governmental authority shall have issued a decision or an order preventing, prohibiting or declaring illegal the consummation of the Offer or requiring Day or any of its group companies to meet any condition or requirement that has a Material Adverse Effect, on Day, including its direct and indirect subsidiaries.
 - (d) From the date of the Pre-Announcement until the end of the (possibly extended) Offer Period, no matters or events shall have occurred, and no matters or events shall have been disclosed by Day or otherwise come to Adobe' attention which have a Material Adverse Effect on Day, including its direct and indirect subsidiaries.
 - (e) The board of directors of Day shall have resolved to enter Adobe or any other company designated and controlled by Adobe Systems Incorporated into the share register of Day with voting rights in respect of all Day Shares Adobe Systems Incorporated or any of its direct or indirect subsidiaries has acquired or may acquire outside the Offer or, subject to all other conditions of the Offer having been satisfied or waived, in the Offer.
 - (f) (i) All members of Day's board of directors shall, subject to the Offer becoming unconditional, have resigned from office with effect from the Settlement and a shareholders' meeting of Day shall have been held for the election of the persons nominated by Adobe to Day's board of directors with effect from the Settlement; or (ii) subject to the condition that Adobe holds more than 50% of the Day Shares, all members of Day's board of directors shall, subject to the Offer becoming unconditional, either have (x) resigned from office as of the Settlement (provided that at least one director shall not have resigned and shall have entered into (and not subsequently terminated) a mandate agreement with Adobe prior to and with effect from the Settlement) or (y) entered into (and not subsequently terminated) a mandate agreement with Adobe for the period from the Settlement until the shareholders' meeting of Day at which the persons nominated by Adobe shall have been elected as members of Day's board of directors.
 - (g) The shareholders' meeting of Day shall not have (i) resolved or approved any dividend or capital reduction or any acquisition, demerger or other disposal of assets, in each case with a value or for a consideration of CHF 3,672,800 (corresponding to 10% of the consolidated assets of Day as of December 31, 2009) or more, or

any merger or ordinary, authorized or conditional increase of the share capital of Day, nor (ii) adopted an amendment of the articles of association of Day to introduce any transfer restrictions (*Vinkulierung*) or voting limitations (*Stimmrechtsbeschränkungen*).

- (h) With the exception of the obligations which have been made public prior to the Pre-Announcement and in connection with this Offer, since December 31, 2009, Day and its direct and indirect subsidiaries have not undertaken to acquire or sell any assets or incur or repay any indebtedness in the amount of CHF 3,672,800 (corresponding to 10% of the consolidated assets of Day as of December 31, 2009) or more.

Adobe reserves the right to waive, in whole or in part, one or more conditions.

Conditions (a) and (d) shall be in force and effect until the end of the (possibly extended) Offer Period. Conditions (b), (c), (g) and (h) shall be in force and effect until the Settlement. Conditions (e) and (f) shall be in force and effect until the earlier of (i) the date and time when the respective corporate body of Day takes the required resolution, and (ii) the Settlement.

If any of the conditions (a) or (d) or, if the respective corporate body of Day resolves on the matters mentioned in conditions (e) and (f) prior to the expiration of the (possibly extended) Offer Period, any of the conditions (e) or (f), have not been satisfied or waived by the end of the (possibly extended) Offer Period, the Offer will be declared unsuccessful.

If any of the conditions (b), (c), (g) or (h) or, if the respective corporate body of Day does not resolve on the matters mentioned in conditions (e) and (f) prior to the expiration of the (possibly extended) Offer Period, any of the conditions (e) or (f), have not been satisfied or waived by the Settlement, Adobe shall be entitled to declare the Offer unsuccessful or to postpone the Settlement for a period of up to four months after the expiration of the Additional Acceptance Period (the **Postponement**). During the Postponement, the Offer shall continue to be subject to the conditions (b), (c), (g), (h) and, if applicable, (e) and (f), as long as and to the extent such conditions have not been satisfied or waived. Unless Adobe applies for and the Takeover Board approves an additional postponement of the Settlement, Adobe will declare the Offer unsuccessful if such conditions have not been satisfied or waived during the Postponement.

C. Information on Adobe

1. **Name, Registered Office, Capital and Principal Business Activities of Adobe** Adobe is a company with limited liability (*Besloten vennootschap; B.V.*) governed by the laws of the Netherlands, having its registered office in Amsterdam, the Netherlands.
- The share capital of Adobe amounts to EUR 91,000 (approximately CHF 120,439). Adobe is a holding company within the Adobe group and holds participations in other Adobe group companies.

2. Significant and Controlling Shareholders of Adobe

Adobe is an indirect, wholly-owned subsidiary of Adobe Systems Incorporated. Adobe is a direct, wholly-owned subsidiary of Adobe Systems Software Ireland Ltd., Dublin, Ireland, which in turn is a direct, wholly-owned subsidiary of Adobe Software Trading Co. Ltd., Dublin, Ireland, which in turn is a direct, wholly-owned subsidiary of Adobe Systems Incorporated.



Adobe Systems Incorporated is a corporation organized under the laws of Delaware (DE), USA, with its principal place of business in San Jose (CA), USA. Adobe Systems Incorporated is one of the largest and most diversified software companies in the world, with worldwide consolidated annual sales of approximately USD 2.9 billion (approximately CHF 3.0 billion) and a headcount of approximately 8,660 employees (business year 2009). Adobe Systems Incorporated offers a line of creative, business, Web and mobile software and services used by creative professionals, knowledge workers, consumers, original equipment manufacturers, developers and enterprises for creating, managing, delivering, optimizing and engaging with compelling content and experiences across multiple operating systems, devices and media.

Adobe Systems Incorporated's common stock is listed on the NASDAQ Global Select Market (ticker symbol ADBE). As of August 19, 2010, the following entities have reported participations exceeding 5% of the voting rights of Adobe Systems Incorporated pursuant to reporting provisions of applicable U.S. securities laws:

- PRIMECAP Management Company, Pasadena (CA), USA, 6.68%.
- Prudential Financial, Inc., Newark (NJ), USA, 5.98%.
- Entities associated with BlackRock, Inc., New York (NY), USA, 5.33%.

3. Persons Acting in Concert with Adobe

For purposes of this Offer, all companies and persons (directly or indirectly) controlled by Adobe and all companies and persons (directly or indirectly) controlling Adobe (including Adobe Systems Incorporated) as well as from July 28, 2010, the date on which Adobe Systems Incorporated and Day entered into the Transaction Agreement described in Section E.4

(Agreements between Adobe and Day and their Directors, Officers and Shareholders; Transaction Agreement), Day and all companies and persons (directly or indirectly) controlled by Day are deemed to be acting in concert with Adobe.

- 4. Annual Report**

The annual report of the Adobe group for the business year ended November 27, 2009 and the quarterly reports for the business quarters ended March 5 and June 4, 2010, are available on the website of Adobe Systems Incorporated at www.adobe.com/aboutadobe/invrelations/ and may be obtained free of charge at the address set forth in Section O (*Offer Documentation*).
- 5. Participations of Adobe in Day**

Adobe and the persons acting in concert with it (excluding Day and its direct and indirect subsidiaries) held as of August 19, 2010 no Day Shares. As of the same date, Day and its direct and indirect subsidiaries held, according to Day, 35 Day Shares as treasury shares. As of August 19, 2010 neither Adobe nor any of the persons acting in concert with it (including, according to Day, Day and its direct and indirect subsidiaries) held any acquisition or conversion rights with respect to Day Shares.
- 6. Purchases and Sales of Equity Securities in Day**

During the 12-month period preceding the date of the Pre-Announcement, Adobe and the persons acting in concert with it (excluding Day and its direct and indirect subsidiaries) did not purchase any Day Shares. During the same period, Adobe and the persons acting in concert with it (excluding Day and its direct and indirect subsidiaries) neither sold any Day Shares, nor purchased or sold any acquisition or conversion rights with respect to Day Shares.

According to Day, since July 28, 2010 – the date on which Adobe and Day entered into the Transaction Agreement described in Section E.4 (*Agreements between Adobe and Day and their Directors, Officers and Shareholders; Transaction Agreement*) – neither Day nor its direct or indirect subsidiaries have purchased or sold any Day Shares or acquisition or conversion rights with respect to Day Shares.

In the Transaction Agreement, Adobe and Day agreed to treat the Options issued and outstanding under the Day Option Plans (as defined in Section E.2 (*Share Capital and Outstanding Options; Outstanding Options*)) as described in Section E.2 (*Share Capital and Outstanding Options; Outstanding Options*).

D. Financing of the Offer

Adobe will finance the Offer with its own funds which will be made available by any of its group companies through equity investments and/or intra group loans.

E. Information on Day

- 1. Name, Registered Office, Business Activity and Annual Report**

Day is a Swiss corporation (*Aktiengesellschaft*) of unlimited duration, having its registered office in Basel, Switzerland. Its corporate purpose is the holding, the management, the acquisition, the disposition and the financing of enterprises, particularly in the fields of interactive media, internet and software.

The annual report of Day for the business year ended December 31, 2009 and the half-year report for the first half-year 2010 as of June 30, 2010 are available at www.day.com/day/en/company/investors/financial_reports.html.

2. Share Capital and Outstanding Options

Share capital of Day

According to an excerpt of the commercial register dated August 19, 2010, the share capital of Day amounts to CHF 15,426,290, divided into 1,542,629 registered shares (*Namenaktien*) with a nominal value of CHF 10 each. The Day Shares are listed on the main standard (*Hauptsegment*) of SIX under the Swiss Securities-Number 1.047.421 (ISIN: CH0010474218; ticker symbol DAYN).

According to its articles of association in the version of June 17, 2010, Day has a conditional share capital of CHF 7,713,140, authorizing the issuance of a maximum of 771,314 registered shares with a nominal value of CHF 10 each, and an authorized share capital of 7,713,140, authorizing the issuance of a maximum of CHF 771,314 registered shares with a nominal value of CHF 10 each. According to Day, by July 28, 2010 (date of Pre-Announcement) 29,411 Day Shares were issued under its conditional capital. Accordingly, the issued share capital of Day as of July 28, 2010 amounted to CHF 15,720,400, divided into 1,572,040 registered shares with a nominal value of CHF 10 each. According to Day, Day's board of directors has not resolved to issue any Day Shares under Day's authorized capital.

As of July 28, 2010 (date of Pre-Announcement), Day and its direct and indirect subsidiaries held 35 treasury Day Shares.

Outstanding Options

Day has two participation plans in place, the International Stock Option/Stock Issuance Plan and the U.S. Stock Option/Stock Issuance Plan (the **Day Option Plans**). According to Day, as of July 28, 2010 (date of Pre-Announcement) there were 339,881 options outstanding under the Day Option Plans (the **Options**), with exercise prices ranging from CHF 10 to CHF 101 and of which 159,093 are vested. By the end of the Additional Acceptance Period, 13,823 Options will vest and become exercisable additionally.

In the Transaction Agreement, Adobe Systems Incorporated and Day agreed that the Offer shall extend to any Day Shares issued by Day pursuant to the exercise of Options prior to the end of the Additional Acceptance Period (in accordance with the Takeover Ordinance). To the extent that any Options have not been exercised, Adobe Systems Incorporated and Day agreed that Adobe Systems Incorporated will make proposals to the optionholders as follows:

Vested Options

In respect of any Options which have vested but which have not been exercised prior to the Settlement (the **Vested Options**): (1) Adobe will make Cancellation Payments (as defined below) to Day in respect of the Vested Options following the Settlement; (2) each Vested Option will lapse immediately upon the Settlement and all rights in respect of each Vested Option will be cancelled; (3) Day will (or will procure that an appropriate subsidiary will) deduct and withhold any tax and/or social security liability from the Cancellation Payments (as defined below) and remit the same to the relevant tax authority and/or social security authority; (4) as soon as reasonably practicable following the Settlement, Day will (or will procure that an appropriate subsidiary will) pay the net Cancellation Payments (as defined below) to the relevant optionholders.

Unvested Options held by Continuing Employees and Consultants

In respect of any Options which are unvested at the Settlement (the **Unvested Options**) and which are held by continuing employees and consultants, each Unvested Option will continue to be subject to the same terms and conditions, including vesting, set forth in the relevant Day Option Plan and option grant letters except that: (1) such Unvested Options will become options to purchase shares of common stock of Adobe Systems Incorporated rather than options to purchase Day Shares (hereafter referred to as the **Assumed Options**); (2) references to "Corporation" (in the relevant Day Option Plan) will become references to Adobe Systems Incorporated; (3) the number of shares of common stock of Adobe Systems Incorporated subject to each Assumed Option (rounded down to the nearest whole share) shall be determined by multiplying the number of Day Shares which were previously subject to the Unvested Option immediately prior to the Settlement by a fraction (the **Option Exchange Ratio**), the numerator of which is the Offer Price and the denominator of which is the average closing price of common stock of Adobe Systems Incorporated on The NASDAQ Global Select Market over the five (5) trading days ending on and inclusive of the trading day that is two (2) full trading days prior to (but not inclusive of) the Settlement Date, converted into CHF on the basis of the Exchange Rate (as defined below) and (4) the exercise price applicable to the Assumed Option (rounded upwards to the nearest whole cent) shall equal the per share exercise price applicable to the Unvested Option converted into USD on the basis of the Exchange Rate (as defined below) divided by the Option Exchange Ratio; provided, however, that in no case shall the exchange of an Unvested Option for an Assumed Option be performed in a manner that is not in compliance with the adjustment requirements of Section 409A of the U.S. Internal Revenue Code of 1986, as amended (the **Code**); provided, further, that in the case of any Assumed Option to which Section 421 of the Code applies by reason of its qualification under Section 422 of the Code, the per share exercise price of the Assumed Option, the number of shares of common stock of Adobe Systems Incorporated subject to such Assumed Option and the terms and conditions of exercise of such Assumed Option shall be determined in order to comply with Section 424 of the Code and satisfy the requirements of Section 424(a) of the Code and Treasury Regulation Section 1.424-1.

Unvested Options Held by Non-Continuing Employees and Consultants

Any unvested Options held by employees and consultants who will not be employed by Adobe Systems Incorporated or a subsidiary of Adobe Systems Incorporated (including Day and its subsidiaries) following the Settlement shall be settled as set forth in the Company Stock Option Plans (including the respective stock option agreements and notices of grants) and the respective employment agreements.

According to the Transaction Agreement: (1) **Cancellation Payment** means the payment made to each optionholder for the cancellation of each unexercised Vested Option held by him or her being an aggregate amount of cash equal to: (i) the cash offer for each Day Share pursuant to this Offer (the Offer Price) multiplied by (ii) the number of Day Shares underlying that Vested Option, less the exercise price that would have been payable to exercise that Vested Option; (2) **Exchange Rate** means the USD to CHF or the CHF to USD (as applicable) exchange rate based on the Bloomberg fixing rate on the last business day immediately prior to the Settlement Date (as defined in Section L.5 (*Payment of the Offer Price; Settlement Date*)), at 12 p.m. (noon) CEST.

3. Intentions of Adobe with respect to Day

Through the Offer, Adobe intends to obtain full (100%) control of Day and, after the Settlement, to fully integrate Day and its direct and indirect subsidiaries into the Adobe group, thereby adding complementary web content management solutions to its enterprise offerings.

Adobe and Adobe Systems Incorporated, respectively, intends to newly fill the board of directors of Day after the Settlement. Adobe Systems Incorporated and Day agreed in the Transaction Agreement that all members of the board of directors of Day other than Erik Hansen and David Nüscherer shall resign as members of the board of directors of Day no later than by the end of the Offer Period and with effect from the Settlement Date (as defined in Section L.5 (*Payment of the Offer Price; Settlement Date*)), subject to the Offer becoming unconditional. Day further undertook to use commercially reasonable efforts that Erik Hansen and David Nüscherer, no later than by the end of the Offer Period and with effect from the Settlement Date (as defined in Section L.5 (*Payment of the Offer Price; Settlement Date*)), subject to the Offer becoming unconditional, enter into mandate agreements with Adobe or Adobe Systems Incorporated in a form agreed between the parties (see Section E.4 (*Agreements between Adobe and Day and their Directors, Officers and Shareholders; Transaction Agreement*)). Certain managers and employees of Day further agreed to new positions and functions effective upon the Settlement of the Offer (see Section E.4 (*Agreements between Adobe and Day and their Directors, Officers and Shareholders; Employment Agreements*)).

In the event Adobe holds more than 98% of the voting rights in Day after the Settlement, Adobe intends to request the cancellation of the outstanding publicly held Day Shares in accordance with Article 33 of the Swiss Federal Act on Stock Exchanges and Securities Trading (**SESTA**). In the event that Adobe holds between 90% and 98% of the voting rights in Day after the Settlement, Adobe intends to merge Day with a Swiss company controlled by Adobe or by Adobe Systems Incorporated whereby the remaining shareholders of Day would be compensated (in cash or otherwise) and not receive any shares in the surviving entity. The tax consequences resulting from a squeeze-out by way of a merger with a cash-only consideration may be considerably more negative – in particular, for individual persons who are resident in Switzerland and hold the Day Shares as their private assets (*Privatvermögen*), and for foreign investors – than the largely tax-free acceptance of the Offer (see also Section L.6 (*Costs*)). After the Settlement of the Offer, Adobe intends to apply with the SIX for the de-listing of the Day Shares in accordance with the listing rules of SIX.

4. Agreements between Adobe and Day and their Directors, Officers and Shareholders

Confidentiality Agreement and Exclusivity Agreement

On March 19, 2010, Adobe Systems Incorporated and Day entered into a confidentiality agreement customary for this type of transaction, pursuant to which the parties essentially agreed to treat any non-public information which may be exchanged between them as confidential. On June 7, 2010, Adobe Systems Incorporated and Day entered into an Exclusivity Agreement, pursuant to which Day granted exclusivity to Adobe Systems Incorporated in relation to the negotiations of this Offer and either party agreed to a limited standstill. Following the execution of the exclusivity agreement, Adobe conducted a due diligence investigation of Day.

Transaction Agreement

On July 28, 2010, Adobe Systems Incorporated and Day entered into a Transaction Agreement with the following main terms:

- Adobe Systems Incorporated agreed to procure that Adobe make the present Offer, and Day and its board of directors, respectively, agreed to recommend the Offer, *inter alia* by way of its recommendation contained in the board report set forth in Section H (*Report of the Board of Directors of Day pursuant to Article 29 SESTA*).
- Day undertook not to solicit and, in principle, not to enter into negotiations on or support or recommend any third party offer or competing transaction, except for third party offers or competing transactions that are superior to this present Offer.
- The parties agreed that all members of the board of directors of Day other than Erik Hansen and David Nüscheler shall resign as members of the board of directors of Day no later than by the end of the Offer Period and with effect from the Settlement Date (as defined in Section L.5 (*Payment of the Offer Price; Settlement Date*)), subject to the Offer becoming unconditional. Day further undertook to use commercially reasonable efforts that Erik Hansen and David Nüscheler, no later than by the end of the Offer Period, with effect from the Settlement Date (as defined in Section L.5 (*Payment of the Offer Price; Settlement Date*)) and subject to the Offer becoming unconditional, enter into mandate agreements with Adobe or Adobe Systems Incorporated in a form agreed between the parties.
- Day agreed to invite its shareholders to an extraordinary shareholders' meeting, as reasonably requested by Adobe, such shareholders' meeting to take place not before the commencement of the Additional Acceptance Period, and to schedule and recommend the election to its board of directors of those individuals proposed by Adobe.
- Day undertook to register Adobe and any of its affiliates as shareholders with voting rights in Day's share register with respect to all Day Shares that Adobe or any of its affiliates have acquired or may acquire. Upon the Settlement, Day further undertook to register Adobe and any of its affiliates as shareholders with voting rights in Day's share register with respect to all Day Shares acquired by Adobe as a result of the Offer.
- In relation to outstanding Options under the Day Option Plans (as defined in Section E.2 (*Share Capital and Outstanding Options*)), the parties agreed that Adobe Systems Incorporated will make proposals to the optionholders as described in Section E.2 (*Share Capital and Outstanding Options*).
- Day agreed to comply with the obligations set out in article 12 para. 1 of the Takeover Ordinance at all times from the date of the Transaction Agreement until the day falling six months after the end of the Additional Acceptance Period and, *inter alia*, not to acquire, or agree to acquire, any Day Shares or other equity securities of Day or rights for the acquisition of (or conversion into) Day Shares or other equity securities of Day, or enter into any other derivative transaction in relation to Day Shares (including cash settlement derivatives).

- Day agreed to operate its business as a going concern, in the ordinary course of business and consistent with past prior practice and the currently existing business plan and to execute or enter into certain legal transactions only with the consent of Adobe Systems Incorporated (such consent not to be unreasonably withheld or delayed), to the extent permissible under applicable laws and regulatory requirements. Among others, Day agreed not to issue or create any obligation to issue any shares (except to the extent required to satisfy obligations resulting from the exercise of Options under the Day Option Plans), options, conversion rights or other securities in any member of the Day group and not to increase or otherwise change the share capital or capital structure. Also, Day agreed not to offer, sell or otherwise dispose of its own Day Shares (held in treasury) (except for the use of own Day Shares for purposes of the Day Option Plans).
- Adobe Systems Incorporated basically agreed, provided that the Offer is settled, to refrain from claiming or enforcing and to waive, release and discharge each of the directors of Day and its subsidiaries and the managers of Day from damages claims whatsoever which the Company or any of its Subsidiaries has or may have out of any matter, cause or event which occurred on or before the date of the Transaction Agreement, and to vote in favor of the granting of discharge to all directors of Day and the managers of Day group at the first ordinary shareholders' meeting of Day after the Settlement.
- Day agreed to pay to Adobe Systems Incorporated an amount of CHF 3,000,000 as partial reimbursement of the costs that Adobe Systems Incorporated and Adobe and their advisors have incurred or will incur for preparing and making the Offer under certain circumstances, including if the Offer has been declared successful by Adobe and provides for the highest offer price at the end of the Offer Period but does not become unconditional because any of the conditions under Day's control are not satisfied, or if the Offer is not successful for a reason attributable to Day (including the non-satisfaction of any of the conditions under Day's control) or to a third party declaring a competing offer as successful.

Certification Letter

In connection with the due diligence process, certain members of Day's management, acting on their own behalf and account, provided Adobe Systems Incorporated with a certification letter, representing certain aspects concerning Day. The representations do not give Adobe Systems Incorporated any remedy or recourse against Day or any member of Day's management.

Tender Undertakings

On July 27, 2010, Adobe and the following shareholders of Day entered into tender undertakings, providing for the obligation on the part of the respective shareholders to tender in the aggregate 173,746 Day Shares (corresponding to 11.26% of the Day Shares registered in the Commercial Register as per August 19, 2010) into the Offer:

- Tender undertaking by Barry Bycoff (Chairman of Day) relating to 7,500 Day Shares.
- Tender undertaking by Erik Hansen (CEO and member of the board of directors of Day) relating to 7,000 Day Shares.

- Tender undertaking by Michael Moppert (member of the board of directors of Day) relating to 151,996 Day Shares.
- Tender undertaking by David Arnott (member of the board of directors of Day) relating to 5,000 Day Shares.
- Tender undertaking by Mark L. Walsh (member of the board of directors of Day) relating to 2,250 Day Shares.

Employment Agreements

Effective upon the Settlement, Adobe Systems Incorporated offered new employment contracts to the following managers and employees of Day:

- Employment contract between Day Management AG and Erik Hansen, in the function of CEO Day Software (VP DESBU) (current function: CEO and member of the board of directors of Day).
- Employment contract between Adobe Systems Europe Ltd. and Richard Francis, in the function of CFO Day Software (Finance Director DESBU) (current function: CFO of Day).
- Employment contract between Day Management AG and David Nüscheler, in the function of Vice President Products & Technology, Day Software (current function: CTO and member of the board of directors of Day).
- Employment contract between Day Software Inc. (USA) (from January 1, 2011, Adobe Systems Incorporated) and Kevin Cochrane, in the function of Vice President Solutions and Product Marketing (current function: CMO of Day).
- Employment contract between Day Software Inc. (USA) (from January 1, 2011, Adobe Systems Incorporated) and Roy T. Fielding, in the function of Principal Scientist (current function: Chief Scientist of Day).
- Employment contract between Day Management AG and Jean-Michel Pittet, in the function of Director of Engineering (current function: Senior Vice President Engineering of Day).

The above-mentioned managers and employees of Day have, effective upon the Settlement, accepted the offered new employment contracts. The new employment contracts provide that they will supersede all existing employment agreements, offer letters and similar arrangements relating to the mentioned individuals' employment relationship with Day, and that such existing employment agreements, offer letters and similar arrangements will be terminated when the new employment agreements come into force. The new employment agreements provide for terms and conditions that are customary in the context and in view of the individuals' future positions and functions (for details see Section H (*Report of the Board of Directors of Day pursuant to Article 29 SESTA*)). The mentioned individuals, other than Erik Hansen (CEO and member of the board of directors of Day) and Richard Francis (CFO of Day), will have the opportunity to participate in Adobe Systems Incorporated's equity plans and programs. The new employment contracts of Erik Hansen (CEO of Day) and of Richard Francis (CFO of Day) provide for a limited duration of twelve months (minus one day) after the Settlement. Because Erik Hansen and Richard Francis were not offered positions similar to their current position at Day under an unlimited new employment contract, it was agreed that their Unvested Options which will be "assumed" by Adobe Systems Incorporated in accordance with Section E.2

above (*Share Capital and Outstanding Options; Unvested Options*) will (i) accelerate in full immediately after the Settlement in the case of Erik Hansen and (ii) in twelve monthly tranches over a period of twelve months upon Settlement in the case of Richard Francis.

No other Agreements

Except for the agreements and undertakings summarized above, no agreements in relation to the Offer exist between Adobe and the Adobe group companies, on the one hand, and Day, the Day group companies and their directors, officers and shareholders, on the other hand.

5. Confidential Information

Adobe confirms that neither it, nor Adobe Systems Incorporated nor any other company or person under its or Adobe Systems Incorporated's control have received, directly or indirectly, from Day and its subsidiaries, except as publicly disclosed (in this Offer Prospectus, the report of the board of directors of Day (see Section H (*Report of the Board of Directors of Day pursuant to Article 29 SESTA*)) or otherwise), any confidential information about the course of business of Day, which could significantly influence the decision of the recipients of the Offer.

F. Publication

The offer notice (*Angebotsinserat*) as well as all other publications in connection with the Offer will be published in the Neue Zürcher Zeitung (in German) and in Le Temps (in French) and will be sent for publication to at least two of the major electronic media publishing financial market information.

This Offer Prospectus may be obtained swiftly and free of charge in German, French and English from UBS AG, Prospectus Library, P.O. Box, CH-8098 Zurich (Tel.: +41 (0)44 239 47 03; Fax: +41 (0)44 239 69 14; E-Mail: swiss-prospectus@ubs.com). This Offer Prospectus, the offer notice (*Angebotsinserat*) as well as other information concerning the Offer are also available at www.adobe.com/aboutadobe/invrelations/.

G. Report of the Review Body pursuant to Article 25 SESTA

As a review body recognized according to the SESTA to review public takeover offers, we have reviewed the offer prospectus of Adobe Systems Benelux B.V., Amsterdam (the **Offeror**). The report of the board of directors of the target company and the Fairness Opinion of Bank Sal. Oppenheim jr. & Cie (Switzerland) Ltd were not subject to our review.

The preparation of the offer prospectus is the responsibility of the Offeror. Our responsibility is to express an opinion on the offer prospectus based on our review. We confirm that we comply with the independence requirements provided by takeover law.

Our review was conducted in accordance with the standards promulgated by the Swiss profession, which require that a review according to article 25 SESTA be planned and performed to verify the formal completeness of the offer prospectus according to the SESTA and its ordinances and to obtain reasonable assurance about whether the offer prospectus is free from material misstatement in consequence of violation or errors. It has to be noted that ciphers 4 to 7 below cannot be reviewed with the same assurance as ciphers 1 to 3. We have examined the information in the offer prospectus by means of analyses and ascertainments on a test basis. Furthermore, we have verified the compliance with the SESTA and its ordinances. We believe that our review provides a reasonable basis for our opinion.

In our opinion:

1. the Offeror has taken the necessary measures in order that the required funds will be available on the closing date;

2. the provisions governing obligatory offers, in particular those governing the minimum price, have been observed;
3. the Best Price Rule has been observed until the publication of the offer prospectus.

Moreover, we have not encountered any facts from which we had to infer that:

4. the recipients of the Offer are not treated equally;
5. the offer prospectus is not complete and accurate according to the provisions of the SESTA and its ordinances;
6. the offer prospectus is not in accordance with the SESTA and its ordinances;
7. the provisions regarding the effects of the pre-announcement have not been observed.

Ernst & Young Ltd

Louis Siegrist

Dr. Jvo Grundler

H. Report of the Board of Directors of Day pursuant to Article 29 SESTA

Pursuant to Article 29 para. 1 SESTA and Article 30-32 TOO, the board of directors of Day Software Holding AG, Basel (**Day**) comments as follows on the public tender offer for all registered shares (*Namenaktien*) of Day (the **Day Shares**) made by Adobe Systems Benelux B.V., Amsterdam (**Adobe**):

1. Recommendation

The board of directors has thoroughly examined the public tender offer of Adobe. Based on this examination and the following considerations, the members of the board of directors involved in the deliberations concerning this report, i.e., Mr. Bycoff, Mr. Moppert, Mr. Walsh and Mr. Arnott, unanimously resolved to recommend that the shareholders of Day accept the public tender offer at the price of CHF 139 net per Day Share.

2. Rationale

The foregoing recommendation is based on the following considerations.

a) Industrial Reasons for the Combination

As a result of the combination of Adobe and Day, Day will have access to the worldwide distribution and marketing organization of Adobe. As a result, sales and spread of the standard software products of Day, in particular of Day CQ5, can be increased significantly. The board of directors is convinced that, due to the combination, Day CQ5 can become a leading product for *Enterprise Content Management* and *Content Infrastructure*. With Adobe's support, Day can open new markets and increase the awareness of Day products in the market. In addition, the existing distribution partners of Day can benefit as well from the increase in sales of Day products resulting from the combination. Hence, a combination offers interesting growth perspectives for Day.

Adobe expressed its intention towards Day to have consideration for Day's corporate culture in the context of the integration and to continue the successful product development of Day. Adobe intends to maintain a software development center in Switzerland.

b) Fairness of Offer Price

The offer price of CHF 139 net per Day Share implies a premium of 32.38% over the Day Share closing price on July 27, 2010, the last trading day prior to the publication of the pre-announcement of the public tender offer of Adobe. Compared to the volume weighted average price (VWAP) of the Day Shares during the 60 trading days prior to the publication of the pre-announcement of the public tender

offer of Adobe, the offer price represents a premium of 59.22%. The board of directors appointed Bank Sal. Oppenheim jr. & Cie. (Switzerland) Ltd. to issue a fairness opinion to examine the fairness of the offer price from a financial perspective. In its fairness opinion of July 29, 2010, Bank Sal. Oppenheim jr. & Cie. (Switzerland) Ltd. concluded that the price offered by Adobe of CHF 139 net per registered share of Day is fair from a financial point of view (cf. to the Fairness Opinion section H.8 (*Fairness Opinion*)). Based on these reasons and taking into account the perspectives and risks associated with a continuation of the business on a *stand-alone* basis, the board of directors considers the offer price of CHF 139 net per Day Share as fair.

c) Liquidity of Trade with Day Shares

Adobe expressed its intention to request the delisting of the Day Shares after settlement of the public tender offer. A delisting would impede the transfer of Day Shares and could have a negative effect on the value of those Day Shares still outstanding after settlement of the public tender offer.

d) Conclusion

Based on the considerations summarized above, the board of directors of Day is convinced that the tender offer of Adobe is in the best interest of Day, its shareholders, employees, customers and suppliers.

3. Contractual Relationships between Day and Adobe

In addition to a confidentiality agreement and an exclusivity agreement between Day and Adobe Systems Incorporated, Day and Adobe Systems Incorporated signed a transaction agreement dated July 28, 2010 (the **Transaction Agreement**). The Transaction Agreement essentially defines the conditions of the public tender offer and the respective obligations of Day and Adobe with regard to the public tender offer of Adobe. In particular, the Transaction Agreement sets out the offer price of CHF 139 per share that Adobe has to offer for the Day Shares. In return, Day undertook to support the public tender offer of Adobe and to recommend the offer to its shareholders provided that no superior public tender offer is being made. The offer prospectus published by Adobe on August 23, 2010 (the **Offer Prospectus**) provides for a summary of the key terms of the Transaction Agreement in section E.4 (*Agreement between Adobe and Day and their Directors, Officers and Shareholders*).

4. Potential Conflicts of Interests of the Members of the Board of Directors and the Senior Management

a) Members of Board of Directors

The board of directors of Day consists of the following persons:

- Barry Bycoff, Boston, USA, chairman;
- Michael Moppert, Basel;
- David Nüscher, Grellingen;
- Mark Walsh, Chevy Chase, USA;
- Erik Hansen, Altendorf; and
- David Arnott, Chamonix, France.

In the Transaction Agreement, the board of directors undertook to support the public tender offer of Adobe and recommend its acceptance. Under the conditions set out in the Transaction Agreement, the board of directors will request an extraordinary shareholders' meeting to elect new candidates to be designated by Adobe to the board of directors (cf. Offer Prospectus, section E.4 (*Agreements between Adobe and Day and their Directors, Officers and Shareholders*)).

Subject to the public tender offer being declared successful, Mr. Bycoff, Mr. Moppert, Mr. Walsh and Mr. Arnott expressed their intention to resign from the boards of directors of Day and its subsidiaries by the date of settlement of the offer. None of the resigning members will be entitled to a severance payment.

It is currently contemplated that Mr. Hansen and Mr. Nüscherer will remain members of the board of directors in case that the public tender offer is being declared successful. The board of directors assumes that the continuation of those mandates will occur based on comparable terms and conditions. In this context Mr. Hansen and Mr. Nüscherer agreed to enter into mandate agreements with Adobe. Further, Mr. Hansen and Mr. Nüscherer signed new employment contracts (cf. section H.4.b (*Members of Senior Management*)).

Mr. Hansen, Mr. Bycoff, Mr. Moppert, Mr. Arnott and Mr. Walsh undertook vis-à-vis Adobe to tender their Day Shares into the public tender offer (cf. section H.4.c (*Financial Consequences of Public Tender Offer based on Stock of Shares and Options of Members of Board of Directors and Senior Management*)).

Except for the abovementioned points, no member of the board of directors signed a contract with Adobe or a party acting in concert with Adobe (excluding Day and its subsidiaries), has a material relationship with Adobe or a party acting in concert with Adobe (excluding Day and its subsidiaries), was elected upon proposal of Adobe or a party acting in concert with Adobe (excluding Day and its subsidiaries), has to be re-elected by Adobe or a party acting in concert with Adobe (excluding Day and its subsidiaries) or is acting upon instruction of Adobe or a party acting in concert with Adobe (excluding Day and its subsidiaries). Further, no member of the board of directors acts as corporate body or employee of Adobe, a party acting in concert with Adobe (excluding Day and its subsidiaries) or any company having a material business relationship with Adobe or a party acting in concert with Adobe (excluding Day and its subsidiaries).

The board of directors is of the opinion that – with the exception of Mr. Hansen and Mr. Nüscherer (see below section H.4.b (*Members of Senior Management*)) – the members of the board of directors are not in a conflict of interests as regards the public tender offer of Adobe.

b) Members of Senior Management

The senior management of Day consists of the following persons:

- Erik Hansen, Chief Executive Officer;
- David Nüscherer, Chief Technology Officer;
- Richard Francis, Chief Financial Officer; and
- Kevin Cochrane, Chief Marketing Officer.

Prior to the pre-announcement of the offer on July 28, 2010, the members of the senior management negotiated new employment contracts with Adobe and signed them with Day Management AG (Mr. Hansen and Mr. Nüscherer), Adobe Systems Europe Ltd. (Mr. Francis) and Day Software Inc./ Adobe Systems Incorporated (Mr. Cochrane). The contracts are conditional upon the settlement of the public tender offer and will become effective as of the settlement date. The new employment contracts of Mr. Nüscherer and Mr. Cochrane provide for terms and conditions materially comparable to those under their existing employment arrangements. In contrast, the new contracts of Mr. Hansen and Mr. Francis provide for a fixed term of twelve month (minus one day) and terminate automatically as of the end of such period. In principle, a severance payment will be due in each case upon termination of the employment relationship in an amount not exceeding CHF 1 million (Mr. Hansen) and of GBP 67'500 (Mr. Francis), respectively. Further, it was agreed that the unvested Day options held by Mr. Hansen and Mr. Francis, which will be converted into Adobe Systems Incorporated–options in the context of the offer (cf. Offer Prospectus section E.2 (*Share Capital and Outstanding Options*)), will accelerate (i) immediately after the settlement of the public tender offer (Mr. Hansen) or (ii) in twelve monthly tranches until the expiration of the employment relationship (Mr. Francis).

Apart from the above, the board of directors has no knowledge of any planned changes in the composition of the senior management of Day as a result of the transaction effective after the settlement of the public tender offer.

In relation to the tender undertaking of Mr. Hansen cf. section H.4.a (*Members of Board of Directors*).

In the context of the preparation of the transaction, Mr. Hansen, Mr. Nüscheler, Mr. Francis, Mr. Cochrane and further employees of Day, acting on their own behalf, provided Adobe Systems Incorporated with certain representations regarding Day. The representations do not give Adobe or Adobe Systems Incorporated any remedy against the aforementioned persons or Day (cf. Offer Prospectus, section E.4 (*Agreements between Adobe and Day and their Directors, Officers and Shareholders*)).

In light of the mandate agreements to be concluded with Adobe (cf. section H.4.a (*Members of Board of Directors*)) and the described new employment contracts, the board of directors considers Mr. Hansen and Mr. Nüscheler to be in a potential conflict of interests. Therefore, Mr. Hansen and Mr. Nüscheler did not contribute to the deliberations and decisions of the board of directors regarding the preparation of this report. The same applies to Mr. Francis and Mr. Cochrane, both members of the senior management.

c) Financial Consequences of Public Tender Offer based on Stock of Shares and Options of Members of Board of Directors and Senior Management

Per August 19, 2010, the members of the board of directors and the senior management of Day held the following numbers of Day Shares:

Shares:

| | |
|-----------------|---------|
| Barry Bycoff | 7'500 |
| Michael Moppert | 151'996 |
| David Nüscheler | 135'900 |
| Mark Walsh | 2'250 |
| Erik Hansen | 7'000 |
| David Arnott | 5'000 |

Per August 19, 2010, Mr. Francis and Mr. Cochrane held no Day Shares.

Mr. Bycoff, Mr. Moppert, Mr. Walsh, Mr. Hansen and Mr. Arnott undertook vis-à-vis Adobe to tender their Day Shares in the public tender offer of Adobe.

Per August 19, 2010, the members of the board of directors and the senior management of Day held options for Day Shares as follows:

Options:

| Board: | vested | strike price* | unvested | strike price* | total | intrinsic value** |
|-----------------|---------------|----------------------|-----------------|----------------------|--------------|--------------------------|
| Barry Bycoff | 4'110 | CHF 17.35 | 7'390 | CHF 18.28 | 11'500 | CHF 1'395'157 |
| Michael Moppert | 1'196 | CHF 26.99 | 1'652 | CHF 24.92 | 2'848 | CHF 321'484 |
| David Nüscheler | 1'694 | CHF 25.30 | 4'306 | CHF 25.50 | 6'000 | CHF 681'877 |
| Mark Walsh | 21'515 | CHF 21.47 | 2'083 | CHF 26.39 | 23'598 | CHF 2'667'704 |
| Erik Hansen | 30'719 | CHF 19.39 | 24'281 | CHF 19.36 | 55'000 | CHF 6'579'499 |
| David Arnott | 2'030 | CHF 21.60 | 4'470 | CHF 21.60 | 6'500 | CHF 763'100 |

| Management: | vested | strike price* | unvested | strike price* | total | intrinsic value** |
|--------------------|---------------|----------------------|-----------------|----------------------|--------------|--------------------------|
| Erik Hansen | cf. above | | | | | |
| David Nüscherer | cf. above | | | | | |
| Richard Francis | 9'581 | CHF 26.30 | 10'419 | CHF 26.30 | 20'000 | CHF 2'254'000 |
| Kevin Cochrane | 9'165 | CHF 21.10 | 10'835 | CHF 21.10 | 20'000 | CHF 2'358'000 |

* Weighted average strike price per option

** Offer price of CHF 139 per share minus weighted average strike price per option multiplied by the total number of options (including unvested options)

With regard to these options the following applies:

- Each vested option entitles its holder to purchase one Day Share at the strike price. In the Transaction Agreement, Day and Adobe Systems Incorporated agreed that the holders of vested options can opt for a cancellation payment corresponding to the intrinsic value – i.e., the difference between the offer price and the strike price – less tax and social insurance contributions (for details cf. Offer Prospectus, section E.2 (*Share Capital and Outstanding Options*)).
- The unvested options held by the members of the senior management (i.e., Mr. Hansen, Mr. Francis, Mr. Nüscherer and Mr. Cochrane) will be converted into options for Adobe Systems Incorporated–shares in accordance with the provisions of the Transaction Agreement (cf. Offer Prospectus, section E.2 (*Share Capital and Outstanding Options*)). In the context of the new employment contracts of Mr. Hansen and Mr. Francis, an adjustment of the vesting periods was agreed (cf. section H.4.b (*Members of Senior Management*)).
- In accordance with the provisions of the Transaction Agreement, the unvested options held by the resigning members of the board of directors (Mr. Bycoff, Mr. Moppert, Mr. Walsh and Mr. Arnott) will be settled as set forth in the Day Option Plans (including stock option agreements and notices of grant) (cf. Offer Prospectus section E.2 (*Share Capital and Outstanding Options*)). This means that these options will in principle vest by virtue of the offer and that the holders will be entitled to a cancellation payment corresponding to the intrinsic value – i.e., the difference between the offer price and the strike price – less tax and social insurance contributions.

In the context of the foregoing arrangements in relation to the options held by members of the board of directors and the senior management, the board of directors does not expect considerable additional expenses.

5. Intentions of Significant Shareholders of Day

To the knowledge of the board of directors of Day, on August 19, 2010, the following shareholders held more than 3% of the voting rights of Day (the percentage numbers are based on the number of shares registered in the commercial register):

- First Eagle Investment Management, USA: 4.86%;
- Ruffer LLP, London, United Kingdom: 3.66%;
- Schroders Plc, London, United Kingdom: 4.66%;
- Michael Moppert, Basel: 9.85%;
- Ralf Sievers, Stuttgart, Germany; 4.78%;
- David Nüscherer, Basel: 8.81%;
- Dieter and Marianne Steinemann, Dübendorf/Russikon: 6.97%;

- M.A.G. Capital, LLC, Los Angeles, USA, indirectly via Mercator Momentum Fund, LP, Los Angeles, USA, Mercator Momentum Fund III, LP, Los Angeles, USA, Monarch Ponte Fund Ltd., Los Angeles, USA: 7.00%;
- Balfidor Fondsleitung AG, Basel: 3.01%; and
- BlackRock, Inc., New York, USA: 3.00%.

With respect to the intentions of Mr. Moppert, cf. section H.4.a (*Members of Board of Directors*). Apart, the board of directors does not have knowledge of the intentions of the afore-mentioned shareholders.

6. Defence Measures pursuant to Article 29 para. 2 SESTA

The board of directors of Day has no knowledge of any defence measures against the public tender offer of Adobe and has no intention of taking any such defence measures against the public tender offer.

7. Financial Reporting; Material Changes to Financial Situation or Business Prospects

The audited consolidated annual financial results of Day as of December 31, 2009 and the unaudited half-year results of Day as of June 30, 2010, are available on the website of Day (www.day.com/day/en/company/investors/financial_reports.html). Further, they can be obtained swiftly and free of charge at the seat of Day, Barfüsserplatz 6, CH-4001 Basel (phone +41 (0)61 226 98 98, fax +41 (0)61 226 98 97, e-mail: investor-relations@day.com). To the knowledge of the board of directors, there have been no material changes to the financial situation or the business prospects of Day since June 30, 2010.

8. Fairness Opinion

The board of directors appointed Bank Sal. Oppenheim jr. & Cie. (Switzerland) Ltd., Zurich, as an independent expert to issue a fairness opinion to examine the financial adequacy of the offer price. Bank Sal. Oppenheim jr. & Cie. (Switzerland) Ltd. concluded in their fairness opinion of July 29, 2010, that the price of CHF 139 net per Day Share offered by Adobe is fair.

The fairness opinion of Bank Sal. Oppenheim jr. & Cie. (Switzerland) Ltd. is available swiftly and free of charge in German, French and English at www.day.com/day/en/company/investors/adobe_offer.html and can be obtained swiftly and free of charge from Day Software Holding AG, Barfüsserplatz 6, CH-4001 Basel (phone: +41 (0)61 226 98 98; fax: +41 (0)61 226 98 97; e-mail: investor-relations@day.com).

Basel, August 20, 2010

The board of directors of Day Software Holding AG

I. Fairness Opinion

The fairness opinion issued by Bank Sal. Oppenheim jr. & Cie. (Schweiz) AG, Zurich, to the board of directors of Day, which confirms the Offer Price to be fair from a financial perspective, is available at www.day.com/day/en/company/investors/adobe_offer.html and may be obtained swiftly and free of charge from Day Software Holding AG, Barfüsserplatz 6, CH-4001 Basel (Tel.: +41 (0)61 226 98 98; Fax: +41 (0)61 226 98 97; E-Mail: investor-relations@day.com).

J. Decision of the Swiss Takeover Board

On August 20, 2010, the Takeover Board issued the following decision (*Verfügung*):

1. The public tender offer of Adobe Systems Benelux B.V. to the shareholders of Day Software Holding AG complies with the statutory provisions relating to public tender offers.
2. The Swiss Takeover Board grants Adobe Systems Benelux B.V. an exemption from Article 19 para. 1 lit. b of the Swiss Takeover Ordinance: the identity of the shareholders or groups of shareholders and the percentage of their participation has to be disclosed only once the threshold of 5% of the voting rights is exceeded.

3. The present decree will be published on the website of the Swiss Takeover Board on the day on which the offering prospectus is published.
4. The fee charged to Adobe Systems Benelux B.V. amounts to CHF 121,000.

K. Rights of Shareholders of Day

1. **Request for Party Status (Art. 57 Takeover Ordinance)** Shareholders who have been holding at least 2% of the voting rights of Day, whether exercisable or not (a **Qualified Participation**), since July 28, 2010 (each, a **Qualified Shareholder**; Art. 56 Takeover Ordinance), will be granted party status if they file a respective request with the Takeover Board. The request of a Qualified Shareholder must be received by the Takeover Board (Selnaustrasse 30, Postfach, CH-8021 Zurich, counsel@takeover.ch; Fax: +41 (0)58 854 22 91) within five (5) trading days from the date of publication of this Offer Prospectus. The first trading day after the publication of this Offer Prospectus will be the first day of the filing period. Concurrently with the request, the applicant has to furnish proof of his or her Qualified Participation. The Takeover Board may request proof of the Qualified Shareholder's continued Qualified Participation any time. The party status of a Qualified Shareholder will be upheld in relation to any further decisions issued by the Takeover Board in connection with the Offer, if the Qualified Shareholder continues to hold a Qualified Participation.
2. **Objection (Art. 58 Takeover Ordinance)** A Qualified Shareholder who has to date not participated in the proceedings may file an objection against the Takeover Board's decision in respect of the Offer (see Section J (*Decision of the Swiss Takeover Board*)). The objection must be filed with the Takeover Board (Selnaustrasse 30, Postfach, CH-8021 Zurich, counsel@takeover.ch; Fax: +41 (0)58 854 22 91) within five (5) trading days after publication of the Takeover Board's decision. The first trading day after the publication of the Takeover Board's decision will be the first day of the filing period. The objection must contain a motion, a summary of the legal grounds and proof of the Qualified Participation (as defined in K.1) pursuant to Art. 56 of the Takeover Ordinance.

L. Implementation of the Offer

1. **Information / Announcement** Shareholders will be informed of the Offer by their depository bank and are invited to proceed in accordance with the instructions of their depository bank.
2. **Tender Agent** UBS AG, Zurich.
3. **Acceptance and Payment Agents** Every branch office of UBS AG in Switzerland.
4. **Tendered Day Shares** Tendered Day Shares will receive the separate securities number 11.622.532 (ticker symbol DAYNE). SIX has approved the opening of a second trading line for the tendered Day Shares as of September 7, 2010. It is expected that the trading on the second trading line will be terminated after the expiry of the Additional Acceptance Period.
5. **Payment of the Offer Price; Settlement Date** Payment of the Offer Price for the Day Shares which will have been validly tendered during the Offer Period and the Additional Acceptance Period will occur on October 28, 2010 (the **Settlement Date**). In the event of an extension of the Cooling-off Period by the Takeover Board, an extension of the Offer Period pursuant to Section B.5 (*Offer Period*)

or a Postponement of the Settlement in accordance with Section B.7 (*Conditions*), the Settlement Date will be deferred accordingly.

6. Costs and Taxes; General Tax Consequences for Accepting and Non-Accepting Shareholders

Costs and Taxes

During the Offer Period and the Additional Acceptance Period, Day Shares deposited with banks in Switzerland may be tendered free of costs and fiscal charges. Any Swiss stamp transfer tax as well as any banking fees that may be charged in connection with such tender will be borne by Adobe.

Tax Consequences for Shareholders who tender their Day Shares into the Offer

The following income and profit tax consequences will likely result for shareholders who are Swiss tax residents and tender their Day Shares into the Offer:

- Pursuant to general principles of Swiss income taxation, shareholders holding their Day Shares as private assets (*Privatvermögen*) and who tender their Day Shares into the Offer realize either a tax-free private capital gain or suffer a non-tax-deductible capital loss, unless the shareholder classifies as a professional securities trader (*gewerbsmässiger Wertschriftenhändler*) or except in the event of a sale of a participation of at least 20% of the share capital of Day by one or several Day shareholders acting jointly (*indirekte Teilliquidation*). Shareholders of Day with a participation of less than 20% are generally not affected by this rule if they tender their Day Shares under the Offer.
- Shareholders holding their Day Shares as business assets (*Geschäftsvermögen*) or classifying as professional securities trader (*gewerbsmässiger Wertschriftenhändler*) who tender their Day Shares into the Offer make either a taxable capital gain or suffer a tax-deductible capital loss pursuant to general principles of Swiss income and profit taxation.

Shareholders who are not tax residents of Switzerland are not subject to Swiss income or profit taxes, except if their Day Shares are attributed to a permanent establishment (*Betriebsstätte*) or a business undertaking in Switzerland.

No withholding tax will be levied on the sale of Day Shares pursuant to this Offer.

Tax Consequences for Shareholders who do not tender their Day Shares into the Offer

If Adobe holds more than 98% of the voting rights in Day after the Settlement, Adobe intends to request the cancellation of the outstanding publicly held Day Shares in accordance with Article 33 SESTA (see Section E.3 (*Intentions of Adobe with respect to Day*)). In such case, the tax consequences for the shareholders of Day Shares will in general be the same as if they had tendered their Day Shares into the Offer (see above).

If Adobe holds between 90% and 98% of the voting rights in Day after the Settlement, Adobe intends to merge Day with a Swiss company controlled by Adobe or Adobe Systems Incorporated whereby the

remaining minority shareholders would be compensated (in cash or otherwise). If a cash compensation is paid by the merged entity, the following income and profit tax consequences will likely result for shareholders who are Swiss tax residents:

- Shareholders holding their Day Shares as private assets (*Privatvermögen*) realize a taxable income on the difference between the amount of the cash consideration and the nominal value of the Day Shares or, if the merger will take place after December 31, 2010, the difference between the amount of the cash consideration and the nominal value of the Day Shares and the additional paid-in capital (*Liquidationsüberschuss*).
- Shareholders holding their Day Shares as business assets (*Geschäftsvermögen*) or classifying as professional securities trader (*gewerbsmässiger Wertschriftenhändler*) have the same tax consequences as if they tendered their Day Shares into the Offer (see above).
- Shareholders who are not tax residents of Switzerland are not subject to Swiss income or profit taxes, except if their Day Shares are attributed to a permanent establishment (*Betriebsstätte*) or a business undertaking in Switzerland.
- For all shareholders of Day (irrespective of their tax residence), the difference between the amount of the cash consideration and the nominal value of the Day Shares or, if the merger will take place after December 31, 2010, the difference between the amount of the cash consideration and the nominal value of the Day Shares and the additional paid-in capital (*Liquidationsüberschuss*), will be subject to Swiss withholding tax of 35%. Upon request, the withholding tax will generally be refunded to shareholders of Day who have their tax residence in Switzerland, provided that those shareholders duly declare the cash consideration in the tax return or, in the event of legal entities, in the profit and loss statement.

General Remark

All shareholders of Day and beneficial owners of Day Shares are expressly advised to consult their own tax advisors with respect to the Swiss and foreign tax consequences of this Offer and its acceptance or non-acceptance, respectively.

- 7. Squeeze-out and Delisting** After completion of the Offer, as set out in Section E.3 (*Intentions of Adobe with respect to Day*), Adobe intends to request the cancellation of the outstanding publicly held Day Shares, or to merge Day with a Swiss company controlled by Adobe or Adobe Systems Incorporated, whereby the remaining shareholders will receive a compensation other than shares of the surviving entity, if permitted by law. Furthermore, Adobe intends to apply with SIX for the de-listing of the Day Shares in accordance with the listing rules of SIX after completion of the Offer.

M. Applicable Law and Jurisdiction

This Offer, and all rights and obligations arising under or in connection with this Offer, shall be governed by, and construed in accordance with, **Swiss law**. The exclusive place of jurisdiction for all disputes arising out of or in connection with this Offer shall be **Zurich 1**.

N. Indicative Timetable

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|----------------------------------|--|
| August 24, 2010 | Start of Cooling-off Period |
| September 6, 2010 | End of Cooling-off Period |
| September 7, 2010 | Start of Offer Period |
| October 4, 2010, 4:00 p.m. CEST | End of Offer Period* |
| October 5, 2010 | Publication of the Preliminary Interim Results of the Offer* |
| October 8, 2010 | Publication of the Definitive Interim Results of the Offer* |
| October 11, 2010 | Start of the Additional Acceptance Period* |
| October 22, 2010, 4:00 p.m. CEST | End of the Additional Acceptance Period* |
| October 25, 2010 | Publication of the Preliminary End Results of the Offer* |
| October 28, 2010 | Publication of the Definitive End Results of the Offer* |
| October 28, 2010 | Settlement of the Offer* |

* Adobe reserves the right to extend the Offer Period pursuant to Section B.5 (*Offer Period*) once or several times, in which case the above dates will be deferred accordingly. In addition, Adobe reserves the right to postpone the Settlement of the Offer pursuant to Section L.5 (*Payment of the Offer Price; Settlement Date*).

O. Offer Documentation

This Offer Prospectus may be requested swiftly and free of charge (in German, French and English) from UBS AG, Prospectus Library, P.O. Box, CH-8098 Zurich (Tel.: +41 (0)44 239 47 03; Fax: +41 (0)44 239 69 14; E-Mail: swiss-prospectus@ubs.com). This Offer Prospectus, the offer notice (*Angebotsinserat*) as well as other information concerning the Offer are also available at www.adobe.com/aboutadobe/invrelations/.