


Adobe Systems Incorporated

Income Statement
 Reconciliation of Non-GAAP to GAAP
 \$Millions Except EPS
 Reflects May 2005 2:1 Stock Split
 December 14, 2006

	Q1 FY04	Q2 FY04	Q3 FY04	Q4 FY04	Q1 FY05	Q2 FY05	Q3 FY05	Q4 FY05	Q1 FY06	Q2 FY06	Q3 FY06	Q4 FY06
Non-GAAP												
Revenue	423.3	410.1	403.7	429.5	472.9	496.0	487.0	510.4	655.5	635.4	602.2	682.2
GM - % of Revenue	94.3%	93.4%	94.2%	93.2%	94.3%	94.5%	94.4%	94.0%	93.8%	95.4%	94.3%	93.7%
Operating Expenses	235.8	241.0	239.8	253.8	275.2	286.4	276.0	287.8	362.4	363.4	360.8	385.2
Operating Profit	163.3	141.8	140.3	146.4	170.7	182.2	183.6	191.9	252.4	243.1	207.2	254.0
% of Revenue	38.6%	34.6%	34.8%	34.1%	36.1%	36.7%	37.7%	37.6%	38.5%	38.3%	34.4%	37.2%
Interest & Other Income	4.0	5.1	2.3	2.8	7.6	8.3	12.4	10.3	15.5	13.9	18.1	19.6
Income Before Taxes	167.3	147.0	142.7	149.2	178.3	190.5	196.0	202.2	267.9	257.0	225.3	273.6
Taxes	43.5	38.2	37.1	38.8	44.5	47.6	49.6	50.7	70.5	67.6	53.8	76.6
Net Income	123.8	108.8	105.6	110.4	133.8	142.9	146.4	151.5	197.5	189.4	171.5	197.0
Adjusted Diluted Shares (Millions)	492.2	496.9	494.2	500.6	506.2	508.2	507.8	508.6	621.8	613.8	600.9	602.2
Adjusted EPS	0.25	0.22	0.21	0.22	0.26	0.28	0.29	0.30	0.32	0.31	0.29	0.33
Reconciliation to GAAP												
Non-GAAP Income Before Taxes	167.3	147.0	142.7	149.2	178.3	190.5	196.0	202.2	267.9	256.9	225.3	273.6
SFAS 123R Stock-based Compensation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	23.0	26.6	27.2	30.0
Restructuring and Other Charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.0	1.2	0.0	(0.5)
Acquisition and technology-related Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	56.9	52.0	54.5	53.5
Amortization of Macromedia Deferred Compensation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	23.4	15.3	15.5	9.5
Investment (Gain) Loss	1.0	(0.8)	1.5	4.2	1.5	2.7	2.0	(5.0)	1.3	(2.7)	5.1	(65.0)
GAAP Income Before Taxes	166.3	147.8	141.2	153.4	176.8	187.8	194.0	207.2	144.3	164.5	123.0	246.1
Taxes	43.3	38.4	36.7	39.9	24.9	38.0	49.0	51.0	39.2	41.4	28.6	64.2
GAAP Net Income	123.0	109.4	104.5	113.5	151.9	149.8	145.0	156.2	105.1	123.1	94.4	181.9
Adjusted Diluted Shares (Millions)	492.2	496.9	494.2	500.6	506.2	508.2	507.8	508.6	621.8	613.8	600.9	602.2
Adjusted EPS	0.25	0.22	0.21	0.23	0.30	0.29	0.29	0.31	0.17	0.20	0.16	0.30
GAAP												
Revenue	423.3	410.1	403.7	429.5	472.9	496.0	487.0	510.4	655.5	635.4	602.2	682.2
GM - % of Revenue	94.3%	93.4%	94.2%	93.2%	94.3%	94.5%	94.4%	94.0%	88.1%	89.7%	88.5%	88.3%
Operating Expenses	235.8	241.0	239.8	253.8	275.2	286.4	276.0	287.8	447.8	421.9	422.7	441.1
Operating Profit	163.3	141.8	140.3	146.4	170.7	182.2	183.6	191.9	130.0	147.9	110.0	161.5
% of Revenue	38.6%	34.6%	34.8%	34.1%	36.1%	36.7%	37.7%	37.6%	19.8%	23.3%	18.3%	23.7%
Investment Gains (Loss)	(1.0)	0.8	(1.5)	(4.2)	(1.5)	(2.7)	(2.0)	5.0	(1.3)	2.7	(5.1)	65.0
Interest & Other Income	4.0	5.1	2.3	2.8	7.6	8.3	12.4	10.3	15.5	13.9	18.1	19.6
Income Before Taxes	166.3	147.8	141.2	153.4	176.8	187.8	194.0	207.2	144.3	164.5	123.0	246.1
Taxes	43.3	38.4	36.7	39.9	24.9	38.0	49.0	51.0	39.2	41.4	28.6	64.2
Net Income	123.0	109.4	104.5	113.5	151.9	149.8	145.0	156.2	105.1	123.1	94.4	181.9
Adjusted Diluted Shares (Millions)	492.2	496.9	494.2	500.6	506.2	508.2	507.8	508.6	621.8	613.8	600.9	602.2
Adjusted EPS	0.25	0.22	0.21	0.23	0.30	0.29	0.29	0.31	0.17	0.20	0.16	0.30

The above results are supplied to provide meaningful supplemental information regarding Adobe's core operating results because such information excludes amounts that are not necessarily related to its core operating results. Adobe uses this non-GAAP financial information in assessing the performance of the Company's ongoing operations, and for planning and forecasting in future periods. This non-GAAP information should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.