

# Adobe/Macromedia Acquisition Close

December 5, 2005

## Financial Details

- Adobe Systems Incorporated (NASDAQ: ADBE) closed its acquisition of Macromedia, Inc. on December 3, 2005.
- Adobe acquired Macromedia in an all-stock transaction valued at approximately US\$3.4 billion on the acquisition announcement date, April 18, 2005.
- Macromedia stockholders received, at a fixed exchange ratio, in a tax-free exchange, 1.38 shares of Adobe common stock for each share of Macromedia common stock. (The .69 exchange ratio originally announced on April 18, 2005, was adjusted to 1.38 to reflect Adobe's 2-for-1 stock split paid in the form of a stock dividend on May 23, 2005 to Adobe stockholders of record as of May 2, 2005.)
- Based on Adobe's and Macromedia's closing prices on Friday, April 15, 2005, this represents a price of US\$41.86 per share of Macromedia common stock.
- Combined company trades under Adobe's stock symbol (NASDAQ: ADBE)
- Adobe fiscal 2004 revenues were US\$1.667 billion (FYE December 3, 2004)
- Macromedia fiscal 2005 revenues were US\$436.2 million (FYE March 31, 2005)
- Fiscal year 2006 financial targets for the combined company will be provided and discussed in conjunction with reporting of Adobe's fiscal 2005 year-end financial results on December 15, 2005.

## Operations

- Adobe's company headquarters are at 345 Park Avenue in San Jose, California.
- Macromedia's former company headquarters, 601 Townsend Street, San Francisco, California, remains a key campus for the combined company.
- Adobe's major development sites include:
  - **North America:** San Francisco, Calif.; San Jose, Calif.; San Diego, Calif.; Seattle, Wash.; Newton, Mass.; Arden Hills, Minn.; Ottawa, Ontario, Canada
  - **Europe:** Hamburg, Germany
  - **Asia-Pacific:** Tokyo, Japan; Bangalore, India; Noida, India
- Headcount impact and resulting charges associated with the reduction in force, as well as other costs related to the acquisition, will be discussed during Adobe's fiscal 2005 year-end earnings conference call on December 15, 2005.

## Products

- Adobe announced three new product bundles in conjunction with the acquisition close:
  - Adobe Design Bundle, combining the Adobe® Creative Suite 2 Premium with Macromedia® Flash® Professional 8 software (available for immediate purchase)
  - Adobe Web Bundle, combining the Adobe Creative Suite 2 Premium and Studio 8 (available for immediate purchase)
  - Adobe Video Bundle, combining Adobe video solutions with Flash Professional 8 (expected availability in early 2006)
- Adobe was not required to divest any products as part of the regulatory approval process for the acquisition.

## Business Units

- **Creative Solutions Business Unit**—will provide solutions for customers, ranging from creative professionals to high-end consumers, with leading brands such as Adobe Creative Suite, Macromedia Studio, Adobe Photoshop® and Photoshop Elements, Adobe InDesign®, Adobe Illustrator®, Macromedia Dreamweaver®, Adobe GoLive®, Macromedia Flash, Adobe Premiere® Pro, and Adobe After Effects® software
- **Enterprise and Developer Solutions Business Unit**—will provide solutions for enterprises and developers with products such as the Adobe LiveCycle™ and Macromedia ColdFusion® and the Flex™ product lines
- **Knowledge Worker Solutions Business Unit**—will provide collaboration and communication solutions with products such as Adobe Acrobat® and Macromedia Breeze® software
- **Mobile and Device Solutions Business Unit**—will provide solutions for mobile and device developers such as Macromedia Flash Lite™ and Macromedia FlashCast™ software, and the Flash Player SDK
- **Platform Business Unit**—will focus on advancing Adobe's Portable Document Format (PDF) and Flash-based technology platforms as standards for creating, managing, and delivering compelling, actionable applications and content to any desktop or device
- **Print and Classic Publishing Solutions Business Unit**—will provide print and online publishing solutions as well as e-learning tools with products such as Adobe PostScript® technology as well as Adobe FrameMaker® and PageMaker®, and Macromedia Contribute™, Captivate™, and FreeHand® software

## Senior Management Team

- **Bruce Chizen**, chief executive officer
- **Shantanu Narayen**, president and chief operating officer
- **Stephen Elop** (former CEO of Macromedia), president, Worldwide Field Operations
- **Murray Demo**, executive vice president and chief financial officer
- **Karen Cottle**, senior vice president, general counsel, and corporate secretary
- **Theresa Townsley**, senior vice president, Human Resources
- **John Brennan**, senior vice president, Corporate Development
- **Melissa Dyrdaahl**, senior vice president, Corporate Marketing and Communications
- **Naresh Gupta**, senior vice president, Print and Classic Publishing Solutions Business Unit, and managing director, India Research and Development
- **Tom Hale** (former Macromedia senior vice president and general manager), senior vice president, Knowledge Worker Solutions Business Unit
- **Digby Horner**, senior vice president, Engineering Technology Group
- **Bryan Lamkin**, senior vice president, Creative Solutions Business Unit (acting)
- **Kevin Lynch** (former Macromedia executive vice president and chief software architect), senior vice president and chief software architect, leading the company's Platform Business Unit
- **Tom Malloy**, senior vice president and chief software architect, Advanced Technology Labs
- **David Mendels** (former Macromedia executive vice president and general manager), senior vice president, Enterprise and Developer Solutions Business Unit
- **Al Ramadan** (former Macromedia executive vice president and general manager of mobile and devices), senior vice president, Mobile and Device Solutions Business Unit

## Board of Directors

- **Charles M. Geschke**, Adobe founder and co-chairman of the board
- **John E. Warnock**, Adobe founder and co-chairman of the board
- **Ned Barnholt**, retired chairman, president, and chief executive officer of Agilent Technologies
- **Rob Burgess**, former chairman of Macromedia
- **Michael R. Cannon**, president, chief executive officer, and director, Solectron Corporation
- **Bruce R. Chizen**, chief executive officer, Adobe
- **James E. Daley**, independent consultant, formerly executive vice president and chief financial officer of Electronic Data Systems
- **Carol Mills**, executive vice president and general manager, Infrastructure Products Group, Juniper Networks
- **Colleen M. Pouliot**, attorney in private practice, formerly senior vice president and general counsel at Adobe
- **Robert Sedgewick**, professor of computer science and founding chairman of the Department of Computer Science, Princeton University
- **Delbert W. Yocam**, independent consultant, formerly chairman and chief executive officer of Borland Software Corporation

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### More Information

- Additional corporate information can be found on Adobe's Corporate Fact Sheet at <http://www.adobe.com/aboutadobe/pressroom/pdfs/fastfacts.pdf>
- Financial information can be found on Adobe's Investor Relations site at <http://www.adobe.com/aboutadobe/invrelations/>
- Additional information regarding Adobe's management team can be found on the Executive Profiles page at <http://www.adobe.com/aboutadobe/pressroom/executivebios/main.html>
- Adobe's integrated corporate, fiscal, and product timeline (1982-2005) can be viewed on the Corporate Profile page at <http://www.adobe.com/aboutadobe/pressroom/pdfs/timeline.pdf>
- Acquisition-related FAQs can be found at [http://www.adobe.com/aboutadobe/invrelations/adobeandmacromedia\\_faq.html](http://www.adobe.com/aboutadobe/invrelations/adobeandmacromedia_faq.html)

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