

ADOBE SYSTEMS INC
Form 424B3
July 21, 2005

[QuickLinks](#) -- Click here to rapidly navigate through this document

**Filed pursuant to Rule 424(b)(3)
Registration No. 333-126163**

**SPECIAL MEETINGS OF STOCKHOLDERS
MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

The boards of directors of Adobe Systems Incorporated and Macromedia, Inc. have unanimously approved a merger combining Adobe and Macromedia.

If the merger is consummated, holders of Macromedia common stock will receive 1.38 shares of Adobe common stock for each share of Macromedia common stock they own (which exchange ratio gives effect to the two-for-one stock split in the form of a stock dividend of Adobe common stock paid on May 23, 2005 to Adobe stockholders of record as of May 2, 2005). This is a fixed exchange ratio that will not be adjusted for changes in the stock price of either company before the merger is consummated. Adobe common stock is listed on the NASDAQ National Market under the symbol "ADBE." On July 19, 2005, the last trading day before the date of this joint proxy statement/prospectus, the closing price of Adobe common stock was \$29.31 per share. Macromedia common stock is listed on the NASDAQ National Market under the symbol "MACR."

Stockholders of Adobe will be asked, at Adobe's special meeting of stockholders, to approve the issuance of shares of Adobe common stock to the stockholders of Macromedia in the merger. Stockholders of Macromedia will be asked, at Macromedia's special meeting of stockholders, to adopt the merger agreement.

The dates, times and places of the special meetings are as follows:

For Adobe stockholders:
August 24, 2005
3:00 p.m., local time
Adobe Systems Incorporated
345 Park Avenue
San Jose, California 95110

For Macromedia stockholders:
August 24, 2005
3:00 p.m., local time
Macromedia, Inc.
601 Townsend Street
San Francisco, California 94103

This joint proxy statement/prospectus provides you with information about Adobe, Macromedia and the proposed merger. You may obtain other information about Adobe and Macromedia from documents filed with the Securities and Exchange Commission. We encourage you to read the entire joint proxy statement/prospectus carefully.

Bruce R. Chizen
Chief Executive Officer
Adobe Systems Incorporated

Stephen A. Elop
Chief Executive Officer
Macromedia, Inc.

FOR A DISCUSSION OF SIGNIFICANT MATTERS THAT SHOULD BE CONSIDERED BEFORE VOTING AT THE SPECIAL MEETINGS, SEE "RISK FACTORS" BEGINNING ON PAGE 21.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES REGULATORS HAVE APPROVED OR DISAPPROVED THE ADOBE COMMON STOCK TO BE ISSUED IN THE MERGER OR DETERMINED WHETHER THIS JOINT PROXY STATEMENT/PROSPECTUS IS ACCURATE OR ADEQUATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This joint proxy statement/prospectus is dated July 20, 2005, and is first being mailed to stockholders of Adobe and Macromedia on or about July 22, 2005.

THIS JOINT PROXY STATEMENT/PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

ADOBE SYSTEMS INCORPORATED

345 Park Avenue
San Jose, California 95110
(408) 536-6000

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS TO BE HELD ON AUGUST 24, 2005

To the Stockholders of Adobe Systems Incorporated:

On behalf of the board of directors of Adobe Systems Incorporated, a Delaware corporation, we are pleased to deliver this joint proxy statement/prospectus for the proposed merger combining Adobe and Macromedia, Inc., a Delaware corporation. A special meeting of stockholders of Adobe will be held on Wednesday, August 24, 2005 at 3:00 p.m., local time, at the principal executive offices of Adobe located at 345 Park Avenue, San Jose, California 95110, for the following purposes:

1. To consider and vote upon the issuance of shares of Adobe common stock in the merger contemplated by the Agreement and Plan of Merger and Reorganization, dated as of April 17, 2005, among Adobe, Avner Acquisition Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Adobe, and Macromedia, Inc.
2. To consider and vote upon an adjournment of the special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of Proposal No. 1.
3. To transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

The board of directors of Adobe has fixed July 19, 2005 as the record date for the determination of stockholders entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof. Only holders of record of shares of Adobe common stock at the close of business on the record date are entitled to notice of, and to vote at, the special meeting. At the close of business on the record date, Adobe had outstanding and entitled to vote 492,276,674 shares of common stock.

Your vote is important. The affirmative vote of the holders of a majority of the votes cast in person or by proxy at the Adobe special meeting is required for approval of each of Proposal No. 1 regarding the issuance of shares of Adobe common stock in the merger and Proposal No. 2 regarding an adjournment of the special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of Proposal No. 1. Even if you plan to attend the special meeting in person, we request that you sign and return the enclosed proxy card or vote by telephone or by using the Internet as instructed on the enclosed proxy card, and thus ensure that your shares will be represented at the special meeting if you are unable to attend. If you sign, date and mail your proxy card without indicating how you wish to vote, your proxy will be counted as a vote in favor of the issuance of shares of Adobe common stock in the merger and an adjournment of the Adobe special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of Proposal No. 1. If you fail to return your proxy card or vote by telephone or by using the Internet, the effect will be that your shares will not be counted for purposes of determining whether a quorum is present at the special meeting. If you do attend the Adobe special meeting and wish to vote in person, you may withdraw your proxy and vote in person.

By Order of the Board of Directors,

Bruce R. Chizen
Chief Executive Officer

San Jose, California
July 20, 2005

ADOBE'S BOARD OF DIRECTORS HAS UNANIMOUSLY DETERMINED AND BELIEVES THAT THE ISSUANCE OF SHARES OF ADOBE COMMON STOCK IN THE MERGER IS ADVISABLE TO, AND IN THE BEST INTERESTS OF, ADOBE AND ITS STOCKHOLDERS, AND UNANIMOUSLY RECOMMENDS THAT ADOBE STOCKHOLDERS VOTE "FOR" PROPOSAL NO. 1 AND "FOR" PROPOSAL NO. 2.

MACROMEDIA, INC.

601 Townsend Street
San Francisco, California 94103
(415) 832-2000

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON AUGUST 24, 2005**

To the Stockholders of Macromedia, Inc.:

On behalf of the board of directors of Macromedia, Inc., a Delaware corporation, we are pleased to deliver this joint proxy statement/prospectus for the proposed merger combining Adobe Systems Incorporated, a Delaware corporation, and Macromedia. A special meeting of stockholders of Macromedia will be held on Wednesday, August 24, 2005 at 3:00 p.m., local time, at the principal executive offices of Macromedia located at 601 Townsend Street, San Francisco, California 94103, for the following purposes:

1. To consider and vote upon the adoption of the Agreement and Plan of Merger and Reorganization, dated as of April 17, 2005, by and among Adobe Systems Incorporated, Avner Acquisition Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Adobe, and Macromedia.
2. To consider and vote upon an adjournment of the special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of Proposal No. 1.
3. To transact such other business as may properly come before the special meeting or any adjournment or postponement thereof.

The board of directors of Macromedia has fixed July 19, 2005 as the record date for the determination of stockholders entitled to notice of, and to vote at, the special meeting and any adjournment or postponement thereof. Only holders of record of shares of Macromedia common stock at the close of business on the record date are entitled to notice of, and to vote at, the special meeting. At the close of business on the record date, Macromedia had outstanding and entitled to vote 75,913,164 shares of common stock.

Your vote is important. The affirmative vote of the holders of a majority of the voting power of the shares of Macromedia common stock outstanding on the record date for the Macromedia special meeting is required for approval of Proposal No. 1 regarding adoption of the merger agreement. The affirmative vote of the holders of a majority of the votes cast in person or by proxy at the Macromedia special meeting is required to approve Proposal No. 2 regarding an adjournment of the special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of Proposal No. 1. Even if you plan to attend the special meeting in person, we request that you sign and return the enclosed proxy card or vote by telephone or by using the Internet as instructed on the enclosed proxy card and thus ensure that your shares will be represented at the special meeting if you are unable to attend. If you sign, date and mail your proxy card without indicating how you wish to vote, your proxy will be counted as a vote in favor of the adoption of the merger agreement and an adjournment of the Macromedia special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of Proposal No. 1. If you fail to return your proxy card or vote by telephone or by using the Internet, the effect will be a vote against the adoption of the merger agreement and your shares will not be counted for purposes of determining whether a quorum is present at the Macromedia special meeting. If you do attend the Macromedia special meeting and wish to vote in person, you may withdraw your proxy and vote in person.

Please do not send any certificates representing your Macromedia common stock at this time.

By Order of the Board of Directors,

Stephen A. Elop
Chief Executive Officer

San Francisco, California
July 20, 2005

MACROMEDIA'S BOARD OF DIRECTORS HAS UNANIMOUSLY DETERMINED AND BELIEVES THAT THE MERGER IS ADVISABLE AND FAIR TO, AND IN THE BEST INTERESTS OF, MACROMEDIA AND ITS STOCKHOLDERS, AND UNANIMOUSLY RECOMMENDS THAT MACROMEDIA STOCKHOLDERS VOTE "FOR" PROPOSAL NO. 1 AND "FOR" PROPOSAL NO. 2.

ADDITIONAL INFORMATION

This joint proxy statement/prospectus "incorporates by reference" important business and financial information about Adobe and Macromedia from documents that are not included in or delivered with this joint proxy statement/prospectus. For a more detailed description of the information incorporated by reference in this joint proxy statement/prospectus and how you may obtain it, see "Where You Can Find More Information" on page 138.

If you are an Adobe or Macromedia stockholder, you may have received some of the documents incorporated by reference. You may also obtain any of those documents from the appropriate company, the Securities and Exchange Commission, or the SEC, or the SEC's Internet web site at <http://www.sec.gov>. Documents incorporated by reference in this joint proxy statement/prospectus are available from the appropriate company without charge, excluding all exhibits unless specifically incorporated by reference in such documents. Stockholders may obtain documents incorporated by reference in this joint proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses:

Adobe Systems Incorporated

Attn: Investor Relations
345 Park Avenue
San Jose, California 95110
Telephone: (408) 536-4416
E-mail: ir@adobe.com

Macromedia, Inc.

Attn: Investor Relations
601 Townsend Street
San Francisco, California 94103
Telephone: (415) 832-5995
E-mail: ir@macromedia.com

If you would like to request documents, please do so by August 17, 2005 to receive them before the special meetings. If you request any incorporated documents, the appropriate company will strive to mail them to you by first-class mail, or other equally prompt means, within one business day of receipt of your request.

TABLE OF CONTENTS

	Page
QUESTIONS AND ANSWERS ABOUT THE MERGER	1
SUMMARY	6
RISK FACTORS	21
Risks Relating to the Merger	21
Risks Relating to Adobe	23
Risks Relating to Macromedia	29
THE COMPANIES	36
Adobe	36
Merger Sub	36
Macromedia	36
THE ADOBE SPECIAL MEETING	37
Date, Time and Place	37
Purposes of the Adobe Special Meeting	37
Recommendation of Adobe's Board of Directors	37
Record Date and Voting Power	37
Voting and Revocation of Proxies	38
Required Vote	38
Solicitation of Proxies	38
Other Matters	39
Stockholder Proposals	39
THE MACROMEDIA SPECIAL MEETING	40
Date, Time and Place	40
Purposes of the Macromedia Special Meeting	40
Recommendations of Macromedia's Board of Directors	40
Record Date and Voting Power	40
Voting and Revocation of Proxies	41
Required Vote	41
Solicitation of Proxies	41
Other Matters	42
Stockholder Proposals	42
ADOBE PROPOSAL NO. 1 AND MACROMEDIA PROPOSAL NO. 1 THE MERGER	43
General Description of the Merger	43
Background	43
Reasons for the Merger	47
Mutual Reasons for the Merger	48
Adobe's Reasons for the Merger	49
Macromedia's Reasons for the Merger	51
Opinion of Adobe's Financial Advisor	53
Opinion of Macromedia's Financial Advisor	61
Interests of Macromedia's Executive Officers and Directors in the Merger	73
Material Federal Income Tax Consequences	82
Anticipated Accounting Treatment	84
Appraisal Rights	84
Legal Proceedings Related to the Merger	84

Regulatory Approvals

84

Edgar Filing: ADOBE SYSTEMS INC - Form 424B3

Restrictions on Resales	85
THE MERGER AGREEMENT	86
The Merger	86
Effective Time of the Merger	86
Manner and Basis of Converting Shares	86
Representations and Warranties	88
Covenants; Conduct of Business Prior to the Merger	88
Macromedia Stock Options	92
Macromedia Employee Stock Purchase Plan	93
Employee Benefits Matters	93
Indemnification and Insurance	94
Obligations of the Adobe Board of Directors and Macromedia Board of Directors with Respect to Their Recommendations and Holding Meetings of Stockholders	94
Limitation on the Solicitation, Negotiation and Discussion by Macromedia of Other Acquisition Proposals	96
Material Adverse Effect	98
Conditions to the Merger	99
Termination of the Merger Agreement	101
Expenses and Termination Fees	104
VOTING AGREEMENTS	106
Voting Agreements Relating to Macromedia Shares	106
Voting Agreements Relating to Adobe Shares	106
MANAGEMENT AND OTHER INFORMATION	108
ADOBE PROPOSAL NO. 2 POSSIBLE ADJOURNMENT OF THE SPECIAL MEETING	109
MACROMEDIA PROPOSAL NO. 2 POSSIBLE ADJOURNMENT OF THE SPECIAL MEETING	110
SECURITY OWNERSHIP BY CERTAIN BENEFICIAL OWNERS	111
Beneficial Ownership of Adobe Shares	111
Beneficial Ownership of Macromedia Shares	113
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS	116
DESCRIPTION OF ADOBE COMMON STOCK AND PREFERRED STOCK PURCHASE RIGHTS	125
COMPARATIVE RIGHTS OF ADOBE STOCKHOLDERS AND MACROMEDIA STOCKHOLDERS	128
LEGAL MATTERS	138
EXPERTS	138
WHERE YOU CAN FIND MORE INFORMATION	138
ANNEXES:	
A	Agreement and Plan of Merger and Reorganization
B	Form of Adobe Voting Agreement
C	Form of Macromedia Voting Agreement
D	Opinion of Goldman, Sachs & Co.
E	Opinion of Morgan Stanley & Co. Incorporated

QUESTIONS AND ANSWERS ABOUT THE MERGER

Unless specifically stated otherwise, the following information and all other information contained in this joint proxy statement/prospectus, including that regarding the exchange ratio pursuant to the merger agreement, gives effect to the two-for-one stock split in the form of a stock dividend of Adobe common stock paid on May 23, 2005 to Adobe stockholders of record as of May 2, 2005.

Q: What is the merger?

A: Adobe and Macromedia have entered into an Agreement and Plan of Merger and Reorganization, dated April 17, 2005, which is referred to in this joint proxy statement/prospectus as the merger agreement, that contains the terms and conditions of the proposed business combination of Adobe and Macromedia. Under the merger agreement, Macromedia and Avner Acquisition Sub, Inc., a wholly owned subsidiary of Adobe, will merge, with Macromedia surviving as a wholly owned subsidiary of Adobe, which transaction is referred to as the merger. The shares of Adobe common stock issued to Macromedia stockholders in connection with the merger are expected to represent approximately 17.5% of the outstanding shares of Adobe common stock immediately following the consummation of the merger, based on the number of shares of Adobe common stock and Macromedia common stock outstanding on July 19, 2005, assuming that no Macromedia or Adobe stock options are exercised after July 19, 2005 and prior to the effective time of the merger. For a more complete description of the merger, please see the section entitled "Adobe Proposal No. 1 and Macromedia Proposal No. 1 The Merger" on page 43 of this joint proxy statement/prospectus.

Q: Why are the two companies proposing to merge?

A: Adobe's mission has always been to help people and businesses communicate better. Macromedia's mission has been to provide a rich media experience. Together, we share a vision for the future and with the combination of the two companies our products, technologies and people we hope to enable the creation and delivery of compelling content and experiences across multiple operating systems, devices and media. Both companies have great opportunities ahead of them and believe that together, they will be better able to achieve their combined vision with significant synergy. For a discussion of our reasons for the merger, we urge you to read the information in the section entitled "Adobe Proposal No. 1 and Macromedia Proposal No. 1 The Merger Reasons for the Merger" on page 47 of this joint proxy statement/prospectus.

Q: Why am I receiving this joint proxy statement/prospectus?

A: You are receiving this joint proxy statement/prospectus because you have been identified as a stockholder of either Adobe or Macromedia, and thus you are entitled to vote at such company's special meeting. This document serves as both a joint proxy statement of Adobe and Macromedia, used to solicit proxies for the special meetings, and as a prospectus of Adobe, used to offer shares of Adobe common stock in exchange for shares of Macromedia common stock pursuant to the terms of the merger agreement. This document contains important information about the merger and the special meetings of Adobe and Macromedia, and you should read it carefully.

Q: What is required to consummate the merger?

A: To consummate the merger, Adobe stockholders must approve the issuance of shares of Adobe common stock in the merger, which approval requires the affirmative vote of the holders of a majority of the votes cast in person or by proxy at the Adobe special meeting. In addition, Macromedia stockholders must adopt the merger agreement, which adoption requires the affirmative vote of the holders of a majority of the voting power of the shares of Macromedia common stock outstanding on the record date for the Macromedia special meeting. In addition to

Edgar Filing: ADOBE SYSTEMS INC - Form 424B3

the receipt of stockholder approval and appropriate regulatory approvals, including antitrust clearance, each of the other closing conditions set forth in the merger agreement must be satisfied or waived. For a more complete description of the closing conditions under the merger agreement, we urge you to read the section entitled "The Merger Agreement Conditions to the Merger" on page 99 of this joint proxy statement/prospectus and the merger agreement attached to this joint proxy statement/prospectus as Annex A.

Q: What will Macromedia stockholders receive in the merger?

A:

As a result of the merger, Macromedia stockholders will receive 1.38 shares of Adobe common stock for each share of Macromedia common stock they own. For example, if you own 100 shares of Macromedia common stock, you will receive 138 shares of Adobe common stock in exchange for your Macromedia shares. The number of shares of Adobe common stock to be issued for each share of Macromedia common stock is fixed and will not be adjusted based upon changes in the value of Macromedia common stock or Adobe common stock. As a result, the value of the Adobe shares you will receive in the merger will not be known before the merger, and will go up or down as the market price of Adobe common stock goes up or down. We encourage you to obtain current market quotations of Macromedia common stock and Adobe common stock. For a more complete description of what Macromedia stockholders will receive in the merger, please see the section entitled "The Merger Agreement Manner and Basis of Converting Shares" on page 86 of this joint proxy statement/prospectus.

Q: What will Macromedia option holders receive in the merger?

A:

Subject to certain exceptions, at the effective time of the merger, each Macromedia stock option that is outstanding and unexercised immediately prior to the effective time will be converted into an option to purchase Adobe common stock and Adobe will assume that stock option (or will replace that stock option by issuing a materially equivalent replacement stock option to purchase Adobe common stock) in accordance with the terms of the applicable Macromedia stock option plan and terms of the stock option agreement relating to that Macromedia stock option. For more information, please see "The Merger Agreement Macromedia Stock Options" on page 92.

Q: What are the material federal income tax consequences of the merger to me?

A:

The merger has been structured to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, and it is a closing condition to the merger that Adobe and Macromedia receive opinions of their respective counsel regarding such qualification. As a result of the merger's anticipated qualification as a reorganization, Macromedia stockholders will not recognize gain or loss for United States federal income tax purposes upon the exchange of shares of Macromedia common stock for shares of Adobe common stock, except with respect to cash received in lieu of fractional shares of Adobe common stock.

Tax matters are very complicated, and the tax consequences of the merger to a particular stockholder will depend in part on such stockholder's circumstances. Accordingly, we urge you to consult your own tax advisor for a full understanding of the tax consequences of the merger to you, including the applicability and effect of federal, state, local and foreign income and other tax laws.

For more information, please see the section entitled "Adobe Proposal No. 1 and Macromedia Proposal No. 1 The Merger Material Federal Income Tax Consequences" on page 82 of this joint proxy statement/prospectus.

Q: How does Adobe's board of directors recommend that I vote?

A:

After careful consideration, Adobe's board of directors unanimously recommends that Adobe stockholders vote "FOR" Proposal No. 1 to approve the issuance of shares of Adobe common stock in the merger and "FOR" Proposal No. 2 to adjourn the Adobe special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of Proposal No. 1. For a description of the reasons underlying the recommendations of Adobe's board, see the sections entitled "Adobe Proposal No. 1 and Macromedia Proposal No. 1 The Merger Mutual Reasons for the Merger" on page 48 and " Adobe's Reasons for the Merger" on page 49, and the section entitled "Adobe Proposal No. 2 Possible Adjournment of the Special Meeting" on page 109.

Q: How does Macromedia's board of directors recommend that I vote?

A:

After careful consideration, Macromedia's board of directors unanimously recommends that the Macromedia stockholders vote "FOR" Proposal No. 1 to adopt the merger agreement and "FOR" Proposal No. 2 to adjourn the Macromedia special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of Proposal No. 1. For a description of the reasons underlying the recommendations of Macromedia's board, see the sections entitled "Adobe Proposal No. 1 and Macromedia Proposal No. 1 The Merger Mutual Reasons for the Merger" on page 48 and " Macromedia's Reasons for the Merger" on page 51, and the section entitled "Macromedia Proposal No. 2 Possible Adjournment of the Special Meeting" on page 110.

Q: What risks should I consider in deciding whether to vote in favor of the share issuance or the adoption of the merger agreement?

A:

You should carefully review the section of this joint proxy statement/prospectus entitled "Risk Factors" beginning on page 21, which presents risks and uncertainties related to the merger, Adobe and Macromedia.

Q: When do you expect the merger to be consummated?

A:

We anticipate that the consummation of the merger will occur in Fall 2005, but we cannot predict the exact timing. For more information, please see the section entitled "The Merger Agreement Conditions to the Merger" on page 99.

Q: What do I need to do now?

A:

We urge you to read this joint proxy statement/prospectus carefully, including its annexes, and to consider how the merger affects you. You may provide your proxy instructions in three different ways. First, you can mail your signed proxy card in the enclosed return envelope. Alternatively, you can provide your proxy instructions via the toll-free call center set up for this purpose at (800) 690-6903. Finally, you can provide your proxy instructions via the Internet at www.proxyvote.com. Please provide your proxy instructions only once and as soon as possible so that your shares can be voted at the special meeting of Adobe stockholders or special meeting of Macromedia stockholders, as applicable.

Q: What happens if I do not return a proxy card or otherwise provide proxy instructions?

A:

If you are an Adobe stockholder, the failure to return your proxy card or otherwise provide proxy instructions could be a factor in establishing a quorum for the special meeting of Adobe stockholders, which is required to transact business at the meeting. If you are a Macromedia stockholder, the failure to return your proxy card or otherwise provide proxy instructions will have

Edgar Filing: ADOBE SYSTEMS INC - Form 424B3

the same effect as voting against the adoption of the merger agreement and could be a factor in establishing a quorum for the special meeting of Macromedia stockholders, which is required to transact business at the meeting.

Q: May I vote in person?

A:

If your shares of Adobe common stock or Macromedia common stock are registered directly in your name with Adobe's or Macromedia's transfer agent, respectively, you are considered, with respect to those shares, the stockholder of record, and the proxy materials and proxy card are being sent directly to you by Adobe or Macromedia, respectively. If you are an Adobe stockholder of record, you may attend the special meeting of Adobe stockholders to be held on August 24, 2005 and vote your shares in person, rather than signing and returning your proxy card or otherwise providing proxy instructions. If you are a Macromedia stockholder of record, you may attend the special meeting of Macromedia stockholders to be held on August 24, 2005 and vote your shares in person, rather than signing and returning your proxy card or otherwise providing proxy instructions.

If your shares of Adobe common stock or Macromedia common stock are held in a brokerage account or by another nominee, you are considered the beneficial owner of shares held in "street name," and the proxy materials are being forwarded to you together with a voting instruction card. As the beneficial owner, you are also invited to attend the special meeting of Adobe stockholders or the special meeting of Macromedia stockholders, respectively. Since a beneficial owner is not the stockholder of record, you may not vote these shares in person at the applicable special meeting unless you obtain a "legal proxy" from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting.

Q: If my shares are held in "street name" by my broker, will my broker vote my shares for me?

A:

Your broker will not be able to vote your shares without instructions from you. You should instruct your broker to vote your shares, following the procedure provided by your broker.

Q: May I change my vote after I have provided proxy instructions?

A:

Yes. You may change your vote at any time before your proxy is voted at the Adobe or Macromedia special meeting, as applicable. You can do this in one of three ways. First, you can send a written notice stating that you would like to revoke your proxy. Second, you can submit new proxy instructions either on a new proxy card, by telephone or via the Internet. Third, you can attend the meeting and vote in person. Your attendance alone will not revoke your proxy. If you have instructed a broker to vote your shares, you must follow directions received from your broker to change those instructions.

Q: Should I send in my stock certificates now?

A:

No. If you are a Macromedia stockholder, after the merger is consummated, you will receive written instructions from the exchange agent explaining how to exchange your stock certificates representing shares of Macromedia common stock for certificates representing shares of Adobe common stock. You will also receive a cash payment in lieu of any fractional share of Adobe common stock. Adobe stockholders will not exchange their stock certificates.

Q: Am I entitled to appraisal rights?

A:

Under Delaware corporate law, holders of Macromedia common stock are not entitled to appraisal rights in connection with the merger because both Adobe common stock and Macromedia

Edgar Filing: ADOBE SYSTEMS INC - Form 424B3

common stock are listed on the NASDAQ National Market. Under Delaware corporate law, Adobe stockholders are not entitled to appraisal rights in connection with the merger.

Q: Who is paying for this proxy solicitation?

A:

Adobe and Macromedia are conducting this proxy solicitation and will bear the cost of soliciting proxies, including the preparation, assembly, printing and mailing of this joint proxy statement/prospectus, the proxy card and any additional information furnished to stockholders. Adobe has engaged the services of Innisfree M&A Incorporated to distribute proxy solicitation materials to brokers, banks and other nominees and to assist in the solicitation of proxies from Adobe stockholders. Macromedia has retained The Altman Group, Inc. to aid in Macromedia's proxy solicitation process. Adobe estimates that its proxy solicitor fees will be approximately \$15,000 and Macromedia estimates that its proxy solicitor fees will be approximately \$3,500. Adobe and Macromedia may also reimburse brokerage houses and other custodians, nominees and fiduciaries for their costs of forwarding proxy and solicitation materials to beneficial owners.

Q: Who can help answer my questions?

A:

If you are an Adobe stockholder, and would like additional copies, without charge, of this joint proxy statement/prospectus or if you have questions about the merger, including the procedures for voting your shares, you should contact:

Adobe Systems Incorporated
Attn: Investor Relations
345 Park Avenue
San Jose, California 95110
Telephone: (408) 536-4416
E-mail: ir@adobe.com

OR

Innisfree M&A Incorporated
501 Madison Avenue, 20th Floor
New York, New York 10022
Telephone: (212) 750-5833

If you are a Macromedia stockholder, and would like additional copies, without charge, of this joint proxy statement/prospectus or if you have questions about the merger, including the procedures for voting your shares, you should contact:

Macromedia, Inc.
Attn: Investor Relations
601 Townsend Street
San Francisco, California 94103
Telephone: (415) 832-5995
E-mail: ir@macromedia.com

OR

The Altman Group, Inc.
1275 Valley Brook Avenue
Lyndhurst, New Jersey 07071
Telephone: (201) 460-1200

SUMMARY

This summary highlights selected information from this document. To understand the merger fully, you should read carefully this entire document and the documents to which we refer. See "Where You Can Find More Information" on page 138. The merger agreement is attached as Annex A to this joint proxy statement/prospectus. We encourage you to read the merger agreement as it is the legal document that governs the merger. We have included page references in parentheses to direct you to a more detailed description of the topics presented in this summary.

Unless specifically stated otherwise, the following information and all other information contained in this joint proxy statement/prospectus, including that regarding the exchange ratio pursuant to the merger agreement, gives effect to the two-for-one stock split in the form of a stock dividend of Adobe common stock paid on May 23, 2005 to Adobe stockholders of record as of May 2, 2005.

Comparative Per Share Market Price Information

Adobe common stock and Macromedia common stock are listed on the NASDAQ National Market under the symbols "ADBE" and "MACR," respectively. On April 15, 2005, the last full trading day prior to the public announcement of the proposed merger, Adobe common stock closed at \$30.33 and Macromedia common stock closed at \$33.45. On July 19, 2005, Adobe common stock closed at \$29.31 and Macromedia common stock closed at \$39.71.

The Companies (Page 36)

Adobe Systems Incorporated
345 Park Avenue
San Jose, California 95110
(408) 536-6000

Adobe offers a line of software and services for consumers, creative professionals and enterprises, in both the public and private sectors. Adobe's products are digital imaging, design and document technology platforms which enable customers to create, manage and deliver visually rich, compelling and reliable content.

Avner Acquisition Sub, Inc. is a wholly owned subsidiary of Adobe that was incorporated in Delaware in April 2005. Avner Acquisition Sub does not engage in any operations and exists solely to facilitate the merger.

Macromedia, Inc.
601 Townsend Street
San Francisco, California 94103
(415) 832-2000

Macromedia is an independent software company providing software that empowers designers, developers and business users to create and deliver effective user experiences on the Internet, fixed media and wireless and digital devices. Macromedia's integrated family of technologies enables the development of a wide range of Internet and mobile application solutions.

The Special Meetings

The Adobe Special Meeting (Page 37)

Time, Date and Place. A special meeting of the stockholders of Adobe will be held on Wednesday, August 24, 2005, at the principal executive offices of Adobe located at 345 Park Avenue, San Jose, California 95110 at 3:00 p.m., local time, to vote on Proposal No. 1 to approve the issuance of shares of Adobe common stock in the merger and Proposal No. 2 to adjourn the special meeting, if

Edgar Filing: ADOBE SYSTEMS INC - Form 424B3

necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of Proposal No. 1.

Record Date and Voting Power for Adobe. You are entitled to vote at the Adobe special meeting if you owned shares of Adobe common stock at the close of business on July 19, 2005, the record date for the Adobe special meeting. You will have one vote at the special meeting for each share of Adobe common stock you owned at the close of business on the record date. There are 492,276,674 shares of Adobe common stock entitled to be voted at the special meeting.

Adobe Required Vote. The affirmative vote of the holders of a majority of the votes cast in person or by proxy at the Adobe special meeting is required for approval of each of Proposal No. 1 to approve the issuance of shares of Adobe common stock in the merger and Proposal No. 2 to adjourn the Adobe special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of Proposal No. 1.

Share Ownership of Management. As of July 19, 2005, the directors and executive officers of Adobe beneficially held approximately 0.7% of the shares entitled to vote at the Adobe special meeting. A director and certain executive officers of Adobe have agreed to vote their shares in favor of the issuance of shares of Adobe common stock in the merger.

The Macromedia Special Meeting (Page 40)

Time, Date and Place. A special meeting of the stockholders of Macromedia will be held on Wednesday, August 24, 2005, at the principal executive offices of Macromedia located at 601 Townsend Street, San Francisco, California 94103, at 3:00 p.m. local time, to vote on Proposal No. 1 to adopt the merger agreement and Proposal No. 2 to adjourn the Macromedia special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of Proposal No. 1.

Record Date and Voting Power for Macromedia. You are entitled to vote at the Macromedia special meeting if you owned shares of Macromedia common stock at the close of business on July 19, 2005, the record date for the special meeting. You will have one vote at the special meeting for each share of Macromedia common stock you owned at the close of business on the record date. There are 75,913,164 shares of Macromedia common stock entitled to be voted at the Macromedia special meeting.

Macromedia Required Vote. The affirmative vote of the holders of a majority of the voting power of the shares of Macromedia common stock outstanding on the record date for the Macromedia special meeting is required to approve Proposal No. 1 to adopt the merger agreement. The affirmative vote of the holders of a majority of the votes cast in person or by proxy at the Macromedia special meeting is required to approve Proposal No. 2 to adjourn the Macromedia special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of Proposal No. 1.

Share Ownership of Management. As of July 19, 2005, the directors and executive officers of Macromedia beneficially held approximately 4.1% of the shares entitled to vote at the Macromedia special meeting. Certain directors and executive officers of Macromedia have agreed to vote their shares in favor of the adoption of the merger agreement.

Recommendations to Stockholders

To Adobe Stockholders (Page 37). The Adobe board of directors has unanimously determined and believes that the issuance of shares of Adobe common stock in the merger is advisable to, and in the

Edgar Filing: ADOBE SYSTEMS INC - Form 424B3

best interests of, Adobe and its stockholders. The Adobe board of directors unanimously recommends that the holders of Adobe common stock vote "FOR" Proposal No. 1 to approve the issuance of shares of Adobe common stock in the merger and "FOR" Proposal No. 2 to adjourn the Adobe special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of Proposal No. 1.

To Macromedia Stockholders (Page 40). The Macromedia board of directors has unanimously determined and believes that the merger is advisable and fair to, and in the best interests of, Macromedia and its stockholders. The Macromedia board of directors unanimously recommends that the holders of Macromedia common stock vote "FOR" Proposal No. 1 to adopt the merger agreement and "FOR" Proposal No. 2 to adjourn the Macromedia special meeting, if necessary, if a quorum is present, to solicit additional proxies if there are not sufficient votes in favor of Proposal No. 1.

The Merger (Page 86)

In the merger, Avner Acquisition Sub, Inc., a wholly owned subsidiary of Adobe, will merge with and into Macromedia, and Macromedia will become a wholly owned subsidiary of Adobe. Holders of Macromedia common stock and options will become holders of Adobe common stock and options, respectively, following the merger. The shares of Adobe common stock issued to Macromedia stockholders in connection with the merger are expected to represent approximately 17.5% of the outstanding shares of Adobe common stock immediately following the consummation of the merger, based on the number of shares of Adobe common stock and Macromedia common stock outstanding on July 19, 2005, assuming that no Macromedia or Adobe stock options are exercised after July 19, 2005 and prior to the effective time of the merger.

Manner and Basis of Converting Shares (Page 86)

If you are a Macromedia stockholder, you will receive 1.38 shares of Adobe common stock in exchange for each share of Macromedia common stock you own. The exchange ratio is fixed and, regardless of fluctuations in the market price of Adobe's or Macromedia's common stock, will not change between now and the date the merger is consummated, subject to any adjustments for changes in the number of outstanding shares of Adobe or Macromedia by reason of future stock splits, division of shares, stock dividends or other similar transactions.

Treatment of Stock Options (Page 92)

The merger agreement provides that, subject to certain exceptions, at the effective time of the merger, each Macromedia stock option that is outstanding and unexercised immediately prior to the effective time will be converted into an option to purchase Adobe common stock and Adobe will assume that stock option (or will replace that stock option by issuing a materially equivalent replacement stock option to purchase Adobe common stock) in accordance with the terms of the applicable Macromedia stock option plan and terms of the stock option agreement relating to that Macromedia stock option.

Risks Relating to the Merger (Page 21)

In evaluating the merger agreement or the issuance of shares of Adobe common stock in the merger, you should carefully read this joint proxy statement/prospectus and especially consider the factors discussed in the section entitled "Risk Factors Risks Relating to the Merger" on page 21.

Reasons for the Merger

Mutual Reasons (Page 48). Adobe and Macromedia believe that the two companies together can meet more of our customers' needs by integrating our products and technologies to help our customers

Edgar Filing: ADOBE SYSTEMS INC - Form 424B3

communicate better. We believe that combined company has the opportunity to define a robust technology platform that delivers compelling, rich content across a wide range of devices and operating systems. Moreover, we believe that the software industry is in a period of consolidation and that there is a developing trend for customers to source a larger portion of their software needs from a smaller number of suppliers. We believe that the combined company will have the scale to better compete in this environment.

Adobe's Reasons (Page 49). The Adobe board of directors approved the merger based on a number of factors, including, among other factors, the following:

the complementary nature of Adobe's and Macromedia's product lines;

the potential opportunity for the two companies to integrate their software solutions to meet a wider set of customer needs and to combine their technological resources to develop new products with increased functionality and bring them to market faster;

the board's and management's assessment that the merger and Macromedia's operating strategy are consistent with Adobe's long-term operating strategy to grow into new markets, particularly in the non-PC device and enterprise segments;

the competitive and market environments in which Adobe and Macromedia operate, including Microsoft's position in those environments, and the potential for the merger to enhance Adobe's ability to compete effectively in those environments; and

the opinion of Adobe's financial advisor that, as of April 17, 2005 and based on and subject to the factors and assumptions set forth in the opinion, the exchange ratio pursuant to the merger agreement was fair to Adobe from a financial point of view.

Macromedia's Reasons (Page 51). The Macromedia board of directors approved the merger based on a number of factors, including, among other factors, the following:

the complementary nature of Adobe's and Macromedia's product lines;

the potential opportunity for the two companies to combine their technological resources to develop new products with increased functionality and bring them to market faster;

the potential availability of greater resources for product marketing and distribution;

the board's and management's assessment that the merger and Adobe's operating strategy are consistent with Macromedia's long-term operating strategy to grow its business by expanding the scope, platform coverage and depth and breadth of product offerings;

the importance of scale in the increasingly competitive market environments in which Macromedia and Adobe operate, and the potential for the merger to enhance Macromedia's ability to compete effectively in those environments;

providing Macromedia stockholders with shares of Adobe common stock in a tax-free exchange at a premium over the market price for Macromedia common stock prior to the announcement of the merger; and

the opinion of Macromedia's financial advisor that, as of April 17, 2005 and based on and subject to the assumptions, qualifications and limitations set forth in the opinion, the exchange ratio pursuant to the merger agreement was fair, from a financial point of view, to holders of shares of Macromedia common stock.

Opinions of Financial Advisors

Opinion of Adobe's Financial Advisor (Page 53). Goldman, Sachs & Co. delivered its opinion to Adobe's board of directors that, as of April 17, 2005 and based on and subject to the factors and assumptions set forth therein, the exchange ratio of 0.69 shares of Adobe common stock to be issued in exchange for each share of Macromedia common stock pursuant to the merger agreement was fair to Adobe from a financial point of view. The exchange ratio is now 1.38 shares of Adobe common stock for each share of Macromedia common stock after giving effect to the two-for-one stock split in the form of a stock dividend of Adobe common stock paid on May 23, 2005 to Adobe stockholders of record as of May 2, 2005.

The full text of the written opinion of Goldman Sachs, dated April 17, 2005, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex D. Goldman Sachs provided its opinion for the information and assistance of Adobe's board of directors in connection with its consideration of the merger. The Goldman Sachs opinion is not a recommendation as to how any holder of Adobe common stock should vote with respect to the issuance of shares of Adobe common stock in the merger. **Adobe urges you to read the entire opinion carefully.**

Opinion of Macromedia's Financial Advisor (Page 61). Morgan Stanley & Co. Incorporated delivered its opinion to Macromedia's board of directors that, as of April 17, 2005 and based upon and subject to the assumptions, qualifications and limitations set forth therein, the exchange ratio of 0.69 of a share of Adobe common stock to be issued in exchange for each share of Macromedia common stock pursuant to the merger agreement was fair from a financial point of view to the stockholders of Macromedia. The exchange ratio is now 1.38 shares of Adobe common stock for each share of Macromedia common stock after giving effect to the two-for-one stock split in the form of a stock dividend of Adobe common stock paid on May 23, 2005 to Adobe stockholders of record as of May 2, 2005.

The full text of the written opinion of Morgan Stanley & Co. Incorporated, dated April 17, 2005, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex E. Morgan Stanley provided its opinion for the information and assistance of Macromedia's board of directors in consideration of the merger and the merger agreement. The Morgan Stanley opinion is not a recommendation as to how any holder of Macromedia common stock should vote with respect to the adoption of the merger agreement. **Macromedia urges you to read the entire opinion carefully.**

Interests of Macromedia's Executive Officers and Directors in the Merger (Page 73)

When considering the recommendations by the Macromedia board of directors, you should be aware that a number of Macromedia's executive officers and directors have interests in the merger that are different from those of other Macromedia stockholders.

Restrictions on Resales (Page 85)

The merger agreement provides that Macromedia will use commercially reasonable efforts to obtain a signed affiliate agreement from each person who may be deemed to be an affiliate of Macromedia. The merger agreement provides that Adobe will not issue shares of Adobe common stock to any "affiliate" of Macromedia who has not provided Adobe with a signed affiliate agreement. The affiliate agreements provide, among other things, that these persons will not sell, transfer or otherwise dispose of their shares of Adobe common stock received in the merger unless they do so in compliance with securities laws governing sales by affiliates.

Limitation on the Solicitation, Negotiation and Discussion by Macromedia of Other Acquisition Proposals (Page 96)

Macromedia has agreed to a number of limitations with respect to soliciting, negotiating and discussing acquisition proposals involving persons other than Adobe, and to certain related matters.

Change of Board Recommendation (Page 94)

Subject to limited conditions, the board of directors of Macromedia or Adobe may withdraw or modify its recommendation in support of the adoption of the merger agreement or the issuance of shares of Adobe common stock in the merger, as the case may be. In the event that the board of directors of either company withdraws or modifies its recommendation in a manner adverse to the other company, the company whose board of directors withdrew or modified its recommendation may be required to pay a termination fee of \$103.2 million to the other company.

Conditions to the Merger (Page 99)

The respective obligations of Adobe and Macromedia to consummate the merger are subject to the satisfaction of certain conditions.

Termination of the Merger Agreement (Page 101)

Either Adobe or Macromedia can terminate the merger agreement under certain circumstances, which would prevent the merger from being consummated.

Expenses and Termination Fees (Page 104)

Subject to limited exceptions, all fees and expenses incurred in connection with the merger agreement will be paid by the party incurring such expenses; provided, however, that Adobe and Macromedia will share equally all fees and expenses, other than attorneys' fees, incurred in connection with (1) the filing, printing and mailing of the registration statement on Form S-4 and this joint proxy statement/prospectus, and (2) the filing by the parties of the premerger notification and report forms relating to the merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, or the HSR Act.

A termination fee of \$103.2 million may be payable by either Adobe or Macromedia to the other party upon the termination of the merger agreement under several circumstances.

Tax Matters (Page 82)

Cooley Godward LLP, outside counsel to Adobe, and Fenwick & West LLP, outside counsel to Macromedia, are expected to each issue a tax opinion to the effect that the merger will constitute a reorganization under Section 368 of the Internal Revenue Code of 1986, or the Code. In a reorganization, a Macromedia stockholder generally will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of its shares of Macromedia common stock for shares of Adobe common stock. However, any cash received for any fractional share will result in the recognition of gain or loss as if such stockholder sold its fractional share. A Macromedia stockholder's tax basis in the shares of Adobe common stock that it receives in the merger will equal its current tax basis in its Macromedia common stock (reduced by the basis allocable to any fractional share interest for which it receives cash).

Tax matters can be complicated, and the tax consequences of the merger to you will depend on the facts of your own situation. You should consult your own tax advisors to fully understand the tax consequences of the merger to you, including the applicability and effect of federal, state, local and foreign income and other tax laws.

Regulatory Approvals (Page 84)

To consummate the merger, Adobe and Macromedia must make filings and obtain approvals or clearances from antitrust regulatory authorities in the United States, certain countries in the European Union and other countries. The thirty-day waiting period under the HSR Act has been extended by a government request for additional information and documentary material until 30 days after Adobe and Macromedia have substantially complied with the request. In the United States, Adobe must also comply with applicable federal and state securities laws and the rules and regulations of the NASDAQ National Market in connection with the issuance of shares of Adobe common stock in the merger and the filing of this joint proxy statement/prospectus with the SEC.

Anticipated Accounting Treatment (Page 84)

The merger will be accounted for as a purchase transaction by Adobe for financial reporting and accounting purposes under U.S. generally accepted accounting principles. The results of operations of Macromedia will be included in the consolidated financial statements of Adobe from the consummation of the merger forward.

Appraisal Rights (Page 84)

Under Delaware corporate law, holders of Macromedia common stock are not entitled to appraisal rights in connection with the merger because both Adobe common stock and Macromedia common stock are listed on the NASDAQ National Market. Under Delaware corporate law, holders of Adobe common stock are not entitled to appraisal rights in connection with the merger.

MARKET PRICE AND DIVIDEND DATA

The following information gives effect to the two-for-one stock split in the form of a stock dividend of Adobe common stock paid on May 23, 2005 to Adobe stockholders of record as of May 2, 2005.

Adobe common stock and Macromedia common stock are listed on the NASDAQ National Market under the symbols "ADBE" and "MACR," respectively. The following tables present, for the periods indicated, the range of high and low per share sales prices for Adobe common stock and Macromedia common stock as reported on the NASDAQ National Market. The table for Adobe also sets forth the cash dividends paid per share by Adobe for the periods indicated. Adobe discontinued its quarterly cash dividend after the payment of the cash dividend for the first quarter of fiscal 2005. Adobe had paid cash dividends on its common stock each quarter since the second quarter of fiscal 1988. Under the terms of the lease agreements for Adobe's San Jose headquarters, Adobe is not prohibited from paying cash dividends unless an event of default occurs. Macromedia has never declared or paid any cash dividend on shares of its common stock.

Adobe's fiscal year ends on the Friday closest to November 30, and Macromedia's fiscal year ends on March 31.

Adobe Common Stock

	<u>High</u>	<u>Low</u>	<u>Cash Dividends Per Share</u>
Fiscal Year 2003			
First quarter	\$ 14.67	\$ 12.14	\$ 0.00625
Second quarter	19.19	12.82	0.00625
Third quarter	20.00	15.23	0.00625
Fourth quarter	23.19	18.12	0.00625
Fiscal Year 2004			
First quarter	\$ 21.50	\$ 17.78	\$ 0.00625
Second quarter	23.44	17.15	0.00625
Third quarter	23.68	19.66	0.00625
Fourth quarter	31.57	23.27	0.00625
Fiscal Year 2005			
First quarter	\$ 32.56	\$ 27.40	\$ 0.00625
Second quarter	34.48	26.57	
Third quarter (through July 19, 2005)	32.92	26.25	

Macromedia Common Stock

	<u>High</u>	<u>Low</u>	<u>Cash Dividends Per Share</u>
Fiscal Year 2004			
First quarter	\$ 23.22	\$ 11.35	
Second quarter	28.80	17.33	
Third quarter	30.00	16.70	
Fourth quarter	21.30	17.30	
Fiscal Year 2005			
First quarter	\$ 26.16	\$ 17.69	
Second quarter	24.36	18.09	
Third quarter	31.66	20.22	
Fourth quarter	37.54	25.76	
Fiscal Year 2006			
First quarter	\$ 44.67	\$ 30.10	
Second quarter (through July 19, 2005)	39.75	35.16	

Edgar Filing: ADOBE SYSTEMS INC - Form 424B3

The following table presents the closing per share sales price of Adobe common stock and Macromedia common stock, as reported on the NASDAQ National Market, and the estimated equivalent per share price (as explained below) of Macromedia common stock on April 15, 2005, the last full trading day before the public announcement of the proposed merger, and on July 19, 2005:

	Adobe Common Stock	Macromedia Common Stock	Estimated Equivalent Macromedia Per Share Price
April 15, 2005.	\$ 30.33	\$ 33.45	\$ 41.86
July 19, 2005	29.31	39.71	40.45

The estimated equivalent per share price of a share of Macromedia common stock equals the exchange ratio of 1.38 multiplied by the price of a share of Adobe common stock. You may use this calculation to determine what your shares of Macromedia common stock will be worth if the merger is consummated. If the merger had occurred on July 19, 2005, you would have received a number of shares of Adobe common stock worth \$40.45 for each share of Macromedia common stock you owned. The actual equivalent per share price of a share of Macromedia common stock that you will receive if the merger is consummated may be different from this price because the per share price of Adobe common stock on the NASDAQ National Market fluctuates continuously.

Following the consummation of the merger, Adobe common stock will continue to be listed on the NASDAQ National Market, and there will be no further market for the Macromedia common stock.

ADOBE
SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA
(in thousands, except per share data)

You should read the following tables in conjunction with Adobe's consolidated financial statements and related notes and Adobe's "Management's Discussion and Analysis of Financial Condition and Results of Operations," which we incorporate by reference to Adobe's Annual Report on Form 10-K for the fiscal year ended December 3, 2004 and Quarterly Report on Form 10-Q for the fiscal quarter ended June 3, 2005 in this joint proxy statement/prospectus.

The consolidated statements of income data for the fiscal years ended December 3, 2004, November 28, 2003 and November 29, 2002 and the consolidated balance sheet data of December 3, 2004 and November 28, 2003 have been derived from Adobe's audited consolidated financial statements, incorporated by reference in this joint proxy statement/prospectus, and have been audited by KPMG LLP, independent registered public accounting firm, whose report is also incorporated by reference in this joint proxy statement/prospectus. The consolidated statements of income data for the fiscal years ended November 30, 2001 and December 1, 2000 and the consolidated balance sheet data as of November 29, 2002, November 30, 2001 and December 1, 2000 are derived from audited consolidated financial statements not included or incorporated by reference in this joint proxy statement/prospectus.

Historical results are not necessarily indicative of the results to be expected in the future.

Six Months Ended		Fiscal Year Ended				
June 3, 2005	June 4, 2004	December 3, 2004	November 28, 2003	November 29, 2002	November 30, 2001	December 1, 2000
(Unaudited)						

**Historical
Consolidated
Statements of
Income Data:**

Revenue	\$	968,911	\$	833,366	\$	1,666,581	\$	1,294,749	\$	1,164,788	\$	1,229,720	\$	1,266,378
Gross Profit	&													