

Adobe Systems Incorporated

Corporate Backgrounder

The Company

The way society creates, distributes, and consumes information is undergoing a fundamental, historic change. Technological advances such as powerful new microprocessors, high-speed networks, the availability of digital storage, easy access to the Internet and on-line services, and the integration of telephone and television with the computer are fueling the shift toward electronic communication. With innovative software technologies and tools, Adobe Systems Incorporated—the world's third largest personal computer software company—is playing a major role in defining and building this exciting new world.

Eleven years ago, Adobe Systems and Aldus Corporation developed the software that launched the desktop publishing revolution—and literally changed the way the world works. In August 1994, Adobe acquired Aldus, and, in October 1995, acquired Frame Technology Corporation and Ceneca Communications, Inc. As a result, Adobe is uniquely positioned to make a further dramatic impact not only on how society creates visually rich information, but also on how it distributes and accesses that information electronically.

While other major software companies deal in raw words, data, and numbers, Adobe® software helps people use the computer to express and share their ideas in imaginative and meaningful new ways, whether the choice of media is static or dynamic, paper or electronic. In the simplest terms, Adobe products enable people to create, send, find, view, and print high-impact information.

Adobe offers a complete publishing solution, both for graphically based and long technical documents. Adobe software enables users to work with professional, creative tools; assemble illustrations, images, and text into fully formatted documents; prepare documents for press; output documents directly to any kind of printing device; and distribute documents on paper, video, or compact disc, over an e-mail system, corporate network, on-line service, or the Internet. Adobe software enables users to perform all of these tasks across multiple computing environments.

Adobe was founded in 1982 by Dr. John Warnock and Dr. Charles Geschke. The company derives its name from Adobe Creek, located near the founders' homes. Headquartered in Mountain View, Calif., on the San Francisco Peninsula, the company has offices worldwide and more than 2,000 employees. Domestic offices include a major site in Seattle, Wash. A new Adobe headquarters facility is now under construction in downtown San Jose, Calif., and is scheduled to open in fall 1996. Adobe has been publicly held since 1986, with its stock traded on the Nasdaq market under the symbol ADBE. Its annual revenue totaled approximately \$598 million in 1994. (Frame Technology's revenue for 1994 totaled \$75 million.)

Adobe was formed to develop and commercialize applications for its *PostScript*® page-description language. While PostScript gained acceptance as the worldwide standard for printing electronic documents, independent software vendors and Adobe tapped the power and flexibility of the language to develop authoring tools that fueled the desktop publishing revolution. More than 5,000 applications now support PostScript language output and are available for every significant computer operating system and hardware configuration, from desktop computers to mainframes.



Leadership in World Wide Web and On-Line Publishing

Just as it has enabled document creation with PostScript technology and authoring tools, Adobe now is facilitating document communication. This effort is embodied in the *Adobe Acrobat*[®] family of products, which provides tools for creating, distributing, and accessing visually rich documents across platforms and networking schemes. Acrobat also is establishing an open, universal standard for electronic publishing.

Most recently, Adobe announced an enhanced version of Acrobat that will enable companies such as Apple, AT&T, Fulcrum Technologies, Microsoft, Netscape, Open Market, Personal Library Software, Profound, and Verity to incorporate Acrobat technology into their software and services for Internet users. The company also has acquired two professional-quality authoring tools for the World Wide Web: *PageMill*[™], which makes creating Web pages as easy as producing a word-processed document; and *SiteMill*[™], which dramatically simplifies site management.

As desktop publishing becomes increasingly widespread and activities such as “desktop broadcasting,” World Wide Web publishing, and electronic document distribution gain momentum, Adobe is not only contributing to but also helping to define the communications future.

Electronic Publishing Software

As they have become more visually rich, the documents that people create and store on their computers have become valuable business assets. Introduced in 1993, Adobe Acrobat software gives organizations a universal creation and viewing tool for electronic documents. It offers maximum flexibility to information authors, and maximum distribution options to information publishers—World Wide Web, e-mail, Lotus Notes[®] software, corporate networks, CD-ROMs, and print-on-demand systems. In practice, Acrobat software provides time- and money-saving solutions to customers in corporate and professional publishing, government agencies, financial services, and other markets.

The Adobe Acrobat product family allows fully formatted electronic documents—containing distinctive typefaces, color, graphics, and photographs—to be easily distributed, accessed, and reused, regardless of the hardware platform, operating system, or applications used to create the originals. Receivers can view, search, navigate, print, and store the documents on their existing systems, which enables organizations to easily create, manage, and distribute visually rich information.

Acrobat software describes documents of any size or visual complexity in a single, universal format called the Portable Document Format (PDF), an open, published specification. Based on the PostScript language, PDF is the only open format of its kind, the only approach to electronic document delivery that is independent of computer hardware, application software, operating system, and networking environment. A PDF file stores the visual (printable) elements of a document, as well as annotations, hypertext links, “thumbnail” page views, bookmarks, and other features that make documents easy to access and navigate on-screen.

Acrobat software enables 100-percent-accurate communication of digital content across multiplatform networks. Documents can be viewed, printed, annotated, and sent on to other users. Acrobat software supports interapplication communication standards, such as OLE, DDE, and Apple[®] events, to integrate with key applications, such as Lotus Notes. Customers with specific needs can build on Acrobat software’s open architecture to extend functionality or to further integrate Acrobat with other systems or applications. Because the technology includes data compression, support for context-sensitive search and support, and, ultimately, support for document structuring conventions, Acrobat also is the first platform-independent solution for long-term storage of digital content.

To promote acceptance of PDF as a standard, the *Adobe Acrobat Reader* viewing tool is freely distributable. Acrobat Reader also is widely available over on-line services, as a bundled product with leading software and hardware products, and from Adobe’s World Wide Web home page (<http://www.adobe.com>).

The Acrobat retail product line includes:

- *Adobe Acrobat Exchange*™ for creating and sharing basic PDF files
- *Adobe Acrobat Pro* for creating and sharing the most visually complex PDF files
- *Adobe Acrobat for Workgroups* for a network of as many as ten users
- *Adobe Acrobat Catalog*™ for creating full-text indexes of PDF files
- *Adobe Acrobat Search*™ for CD-ROMs, which offers a low-cost way to publish fully indexed, searchable information on compact disc
- *Adobe Acrobat Capture*™ for converting printed “legacy” documents into PDF files.

Licensed by third parties, *Adobe Acrobat Player*™ technology is embedded into projection devices, navigation systems, information panels, and other noncomputer equipment to enable viewing of PDF files.

Authoring Software

Adobe’s suite of application products takes professional tools once available only in massive, dedicated systems—or not available at all—and puts them on the desktop. It gives art directors, graphic designers, and others the ability to create and manipulate the elements of visual communication, from photographs to illustrations to typefaces to video footage, and combine them into complete documents for viewing on the screen or printed page.

Adobe’s flagship retail applications—Adobe FrameMaker®, Adobe Illustrator®, Adobe PageMaker®, Adobe Photoshop®, and Adobe Premiere®—established new categories of software, and continue to lead those categories with a growing set of sophisticated features. While gaining market share, these products have spawned mini-industries of third-party accelerator boards, image libraries, special-effects filters, color and calibration tools, and other plug-ins that increase customer value and productivity.

While they are powerful individually, Adobe applications are even more potent when used together. Adobe is committed to providing comparable feature sets to users in Macintosh®, Windows®, and UNIX® environments, and to increasing cross-product integration and extensibility.

Graphics

Used for everything from commercial packaging to fine art, *Adobe Illustrator* software is the leading illustration and page-design tool on the market. It simplifies the creation, manipulation, and refinement of artwork with advanced features for editing, text handling, color support, and other tasks. It offers the most comprehensive image support of any program, plus built-in production capabilities. Adding to the toolkit are complementary programs such as *Adobe Dimensions*® for three-dimensional design, *Adobe Streamline*™ for line-art conversion, and *IntelliDraw*® for quick refinement of business graphics.

Images

Adobe Photoshop has become the standard photo design and production software for prepress, publishing, graphics, and photography professionals. This electronic darkroom enables users to design artwork with powerful painting and selection tools, or retouch and correct true color or black-and-white scanned images with image-editing tools and filters. Accessory products, such as *Adobe Gallery Effects*® special-effects filters and *Adobe TextureMaker*™ texture-design software, increase users’ creative choices. *Adobe Fetch*® cataloging software makes it easy to store, find, and retrieve artwork files for reuse.

Type

Adobe’s Type 1 font format is the only truly cross-platform type solution. More than 2,000 Type 1 typefaces are now available from the Adobe Type Library, which is packaged by family and in special collections. An increasing percentage of Adobe’s type revenue comes from direct purchases through the *Adobe Type On Call*® CD-ROM, a locked, buy-as-you-go version of the library—and one of the best-selling CD products of its kind. The *Adobe Font Folio*™ CD-ROM gives design studios, service bureaus, and other professionals the entire library, unlocked and ready for immediate use.

Supporting type tools include the *Adobe Type Manager*® (*ATM*®) utility, which eliminates jagged type on the computer screen and printed page, at any size; makes Type 1 typefaces available on any printer; and provides access to Adobe's multiple master type technology. *Adobe SuperATM*® is an enhanced version of ATM software that automatically creates "substitute fonts" to simulate typefaces missing from a computer. *Adobe Type Reunion*® software is a font-menu organizer that sorts and displays typefaces to save time and on-screen space.

Through the *Image Club*™ catalog, Adobe offers a wide variety of typefaces, as well as clip art, stock images, and other digital content, directly to desktop publishers.

Page Layout

The world's leading professional page-layout program, *Adobe PageMaker* software makes it easy to create sophisticated print and electronic communications with powerful color, page design, printing, and compatibility features. It offers tools for each person in the publishing cycle: graphic artists and designers; writers, editors, and typesetters; production artists and prepress professionals. PageMaker also allows users to generate Hypertext Markup Language (HTML) and Portable Document Format (PDF) output for electronic publishing needs.

Document Creation

While Adobe PageMaker software is optimized for documents with varied graphics content, *Adobe FrameMaker* software is most popular for documents with long, consistent content, such as books and technical manuals. FrameMaker integrates WYSIWYG word processing, graphics, page layout, tables, long-document building, equations editing, and conditional text for maximum user efficiency, across computing platforms. For organizations that create large inventories of documents that need to be structured and managed enterprise-wide, *Adobe FrameMaker+SGML*™ software combines the functionality of FrameMaker with interactive structure validation and Standard Generalized Markup Language (SGML) support in one easy-to-use environment. For sharing information electronically, the high-fidelity *Adobe FrameViewer*® tool displays FrameMaker documents without post-processing. *Mastersoft* products perform file-format translation services.

Presentations

Adobe Persuasion® software is a program for producing and managing slide, overhead, and on-screen presentations. It enables business users to build and automatically generate presentations of any complexity—including speaker notes and audience handouts—from information they gather and create on a personal computer.

Motion and Sound

Just as it enabled desktop publishing, Adobe software is now facilitating the shift toward "desktop broadcasting." For film and video editors, multimedia producers, and graphics professionals, Adobe offers high-quality alternatives to using expensive, specialized production equipment. *Adobe Premiere* software has become the de facto standard for editing film, video, and multimedia productions on the desktop. *Adobe After Effects*™ software and the *After Effects Production Bundle* give television and motion-picture professionals a set of post-production tools for video compositing, motion graphics, and special effects. *Adobe ScreenReady*™ software turns layouts and EPS graphics into high-quality PICT images for multimedia and video use.

Consumer Products

As more and more people become information authors, Adobe is leveraging its technology and worldwide reseller channels to create and market high-value applications for small businesses and families. The "Adobe For You" consumer product line includes:

- *Adobe Art Explorer*™, a painting and drawing program especially for kids
- *Adobe SuperPaint*® for basic painting, drawing, and image processing
- *Adobe HomePublisher*™ for basic desktop publishing
- *Adobe Paint & Publish*™, which combines SuperPaint and Adobe HomePublisher
- *Adobe Type Twister*™ for fun text effects
- *Adobe PhotoDeluxe*™ for enhancing and personalizing photos (available early 1996)

Paper-Based Printing and Publishing Software

Introduced in 1985, PostScript is a powerful, high-level computer language—a set of instructions typically generated by a software application to communicate precise descriptions of a computer-generated page to a printer or other output device that contains an Adobe PostScript interpreter. Through broad licensing of key technologies and publication of the PostScript language specifications, Adobe established PostScript as the industry-standard imaging model for printing electronic documents. Over the years, PostScript has become the printing and imaging technology of choice for many multinational corporations, the vast majority of professional publishers, and the U.S. federal government. It forms the basis for the International Standards Organization page-description standard and remains the only completely platform-independent page-description language.

Today, more than 65 manufacturers produce over 300 Adobe PostScript output devices, offering them at prices ranging from less than \$700 to more than \$100,000. All major software applications and operating systems support the PostScript language standard, giving computer users tremendous breadth of choice in hardware and software.

Workstation-Based Software

Adobe PostScript software typically resides on a dedicated controller embedded in an output device. Increasingly, however, Adobe's OEM customers offer those same capabilities in the form of software that users can install directly onto their personal computers and workstations. This *Configurable PostScript Interpreter (CPSI)* can drive everything from a \$50,000 imagesetter to a \$1,000 office printer, enabling OEMs and software developers to create and market a variety of Adobe PostScript products independently of controller hardware development.

Professional Printing

Adobe PostScript continues to be the leading software for driving imagesetters and other professional printing devices. The availability of CPSI has extended the reach of Adobe PostScript technology into specialty equipment such as large-format plotters, multifunction printer/copiers, high-speed digital presses, gravure presses, and color proofers. Specialized technologies—such as *Adobe Brilliant™ Screens* for high-fidelity color—address the particular performance needs of this market.

Office and Personal Printing

For the mixed computing environments of today's corporations, Adobe PostScript software uniquely offers cross-platform operation, network support, and high-quality color. Helping OEMs price laser printers competitively, *Adobe Memory Booster™* technology reduces the amount of memory that Adobe PostScript printers need to produce complex documents.

For the Small Office Home Office (SOHO) market, the new *Adobe PrintGear™* architecture dramatically improves the speed, quality, shareability, and performance of low-cost laser printers. PrintGear extends Adobe's family of printing technologies and builds Adobe's presence in this rapidly growing marketplace. PrintGear software will be included in printers scheduled to ship in early 1996.

Multifunction Printing

Adobe PostScript technology itself continues to grow, giving printers additional capabilities. *Adobe PostScript Fax* software enables laser printers to receive high-quality fax documents on plain paper from any of the more than 20 million CCITT Group 3 fax machines and modems installed worldwide, and to send documents directly from a desktop computer.

Hardware Solutions

Adobe invests in technologies such as coprocessors, utility software, and network support that address specific printer cost and performance issues. *Adobe PixelBurst™* and *Adobe ColorBurst™* coprocessors, for example, accelerate the rendering of PostScript language images and graphics. The *Adobe Type 1* coprocessor accelerates the rendering of complex, nonroman type characters.

Display Software

Adobe's *Display PostScript*[®] system is the standard printing and imaging model for UNIX workstations. It enables application developers to describe pages in the same way for displays and printers, resulting in faster development of graphically sophisticated applications. Display PostScript incorporates the same industry-standard imaging model and language used in Adobe PostScript output devices into workstations from Digital Equipment, IBM, Integrated Computer Solutions, Network Computing Devices, NeXT, Silicon Graphics, and Sun.

Prepress Tools

Moving a labor-intensive process to the desktop, Adobe offers prepress professionals a set of software tools for preparing electronic document files for printing. Sold through graphic arts distributors, these products streamline specific tasks, as well as address the workflow and batch-processing needs of high-volume printing operations. The family includes:

- *Adobe Color Central*[®] for image and print management
- *Adobe PrePrint*[®] *Pro* for color separations
- *Adobe PressWise*[®] for page imposition
- *Adobe TrapWise*[®] for precision trapping
- *Adobe Virtual Network* for remote delivery of electronic files
- *Adobe OPEN*[™] for managing the entire workflow
- *Adobe Print Central*[™] for automating workgroup printing

Operations

Marketing and Distribution

Adobe markets and distributes its products directly and through various channels, including retailers, systems integrators, software developers, and value-added resellers, as well as through OEM and hardware bundle customers. Adobe supports its worldwide distribution network and end-user customers through international subsidiaries. Adobe Systems Europe, established in 1987, is headquartered in Edinburgh, Scotland, with subsidiaries in France, Germany, Italy, the Netherlands, Spain, Sweden, and the U.K. Adobe's extensive Pacific Rim presence includes Adobe Systems Japan—based in Tokyo and established in 1989—as well as operations in Australia, Hong Kong, and Mexico.

Adobe licenses its PostScript software technology to computer and printer manufacturers, who in turn distribute their products worldwide. The company derives a significant portion of PostScript royalties from international sales of printers, imagesetters, and other output devices sold worldwide by its OEM customers. More than 6,000 resellers in the United States and Canada and more than 300 distributors throughout Europe and the Pacific Rim offer Adobe retail applications and type products.

Manufacturing

Adobe's primary manufacturing facilities are located in Santa Clara, California. Manufacturing operations include duplication of disks, assembly of purchased parts, and final packaging of retail products. Adobe contracts a portion of its manufacturing activities to third parties, primarily in Europe, and, to a lesser extent, in the United States.

Technology Development

Adobe's PostScript language and PDF are open, extensible information standards that are published and fully accessible by hardware and software developers worldwide. The company offers software development kits and other tools that help these third parties create customized solutions and plug-ins for many Adobe products. The Adobe Developers Association provides a range of support, training, and consulting services.

Adobe's cooperative development program licenses PostScript source-code modules and development and testing tools to qualified OEMs. This program enables them to expand product lines, shorten development cycles, and add value to their offerings. The company also has enlisted selected third parties to provide some of the custom engineering services once provided exclusively by Adobe.

Customer Support and Education

For Adobe's application software, a technical support and services staff responds to customer queries by phone and on-line. The company also informs customers through its bimonthly *Adobe Magazine* and a growing series of how-to books published by Adobe Press, a joint venture with Macmillan Computer Publishing. In addition, Adobe prepares and authorizes independent trainers to teach Adobe software classes, sponsors workshops led by its own graphics staff, interacts with independent user groups, and conducts regular seeding and testing programs.

Investment in New Markets

In 1994, Adobe invested in a venture-capital limited partnership that is chartered to invest in innovative companies strategic to its software business. Adobe Ventures L.P. enables the company to join other investors in making new products and services available to computer users and in building new market opportunities.

Corporate Officers

Dr. John E. Warnock

Chairman of the Board, Chief Executive Officer, and Co-Founder

For three decades, John Warnock has been a respected innovator in the field of raster graphics. He is a frequent conference speaker and contributor to leading technical publications, and has received numerous awards for technical and managerial achievement. Before founding Adobe in 1982, he worked as a principal scientist at Xerox Palo Alto Research Center, focusing on interactive graphics research, graphics standards, and improving the typographic quality of computer grayscale displays. Previously, he held management positions at Evans & Sutherland Computer Co., where he managed research in interactive computer-aided design (CAD) systems and directed design and implementation of real-time computer-generated imaging systems for navigation and flight simulators. His early career included positions with IBM and several Canadian computer companies. He holds a bachelor's degree in mathematics philosophy, a master's degree in mathematics, and a doctorate in electrical engineering (computer science), all from the University of Utah. He sits on the board of Evans & Sutherland, Redbrick Systems, The Tech Museum of Innovation, and the University of Utah Advisory Council. He holds three patents.

Dr. Charles M. Geschke

President and Co-Founder

Charles Geschke, who founded Adobe in 1982 with John Warnock, is the former manager of the Imaging Sciences Laboratory at Xerox Palo Alto Research Center (PARC), where he directed research activities in the fields of computer science, graphics, optics, and image processing. Before forming PARC/ISL in 1980, he was a principal scientist and researcher at Xerox PARC's Computer Sciences Laboratory, where he focused on programming languages, software development environments, and machine architecture. He holds a bachelor's degree in classics, a master's degree in mathematics, and a doctorate in computer science from Carnegie-Mellon University. He is a member of the National Academy of Engineering, the board of trustees of the University of San Francisco, the Computer Science and Telecommunications Board of the National Research Council, and the computer science advisory boards of Carnegie-Mellon University and Princeton University.

Stephen A. MacDonald

Senior Vice President and Co-Chief Operating Officer

Steve MacDonald, senior vice president, is Adobe's co-chief operating officer. He was previously general manager of Adobe's System Products Division. Before joining Adobe in 1985, he was the international marketing manager for Hewlett-Packard's Personal Computer Products, responsible for overall marketing, sales, and service activities in Japan, the Far East, Australia, Latin America, and Africa. He received a bachelor's degree in chemistry from Dalhousie University, Halifax, Nova Scotia, Canada.

David B. Pratt*Senior Vice President and Co-Chief Operating Officer*

Dave Pratt, senior vice president, is Adobe's co-chief operating officer. He was previously general manager of Adobe's Application Products Division. Before joining Adobe in 1988, Pratt was executive vice president and chief operating officer of Logitech Corporation, and senior vice president and chief operating officer of Quantum Corporation. He also has held management positions at Boschert, Intel, and Fairchild. He received a bachelor's degree in electrical engineering from the Massachusetts Institute of Technology and a master's of business administration from the University of Chicago.

Derek Gray*Senior Vice President and General Manager, Adobe Systems Europe*

Previously managing director of Aldus Europe Ltd., Derek Gray oversees Adobe Systems Europe, which includes eastern and western Europe, the Middle East, and Africa. Before joining Aldus in 1986, he was managing director of McQueen Ltd. in the U.K. Gray graduated in marketing at the Chartered Institute of Marketing and was awarded an International Marketing Scholarship in Canada. He holds a diploma in business studies and membership in the British Institute of Management.

M. Bruce Nakao*Senior Vice President, Finance and Administration, Chief Financial Officer, Treasurer, and Assistant Secretary*

Joining Adobe in 1986, Bruce Nakao was previously vice president, chief financial officer, treasurer, and assistant secretary of Ross Systems, Inc., and vice president, chief financial officer, and treasurer of Dividend Industries, Inc. A Certified Public Accountant, he holds a bachelor's degree from the University of Washington and a master's of business administration from Stanford University.

Colleen M. Pouliot*Vice President, General Counsel, and Secretary*

Previously an associate at the law firm of Gray, Cary, Ware & Freidenrich (formerly Ware & Freidenrich) in Palo Alto, California, Colleen Pouliot joined Adobe in 1988. She holds a bachelor's degree in economics from the University of Santa Clara and a juris doctor degree from the University of California, Davis School of Law. A member of the California State Bar, Pouliot belongs to both the Business Law and Intellectual Property Sections. She also belongs to the American Bar Association, American Corporate Counsel Association, Palo Alto Bar Association, Santa Clara County Bar Association, and Peninsula Association of General Counsel.

For more detailed information, see Adobe's home page on the World Wide Web: <http://www.adobe.com>

Adobe Systems Incorporated
1585 Charleston Road, P.O. Box 7900
Mountain View, CA 94039-7900 USA

Adobe Systems European Headquarters
Adobe House, Mid New Cultins
Edinburgh EH11 4DU
Scotland, United Kingdom

Adobe Systems Japan
Yebisu Garden Place Tower
4-20-3 Ebisu, Shibuya-ku
Tokyo 150 Japan

This brochure was created with Adobe PageMaker software and font software from the Adobe Type Library.

Adobe, the Adobe logo, Acrobat, Acrobat Capture, Acrobat Catalog, Acrobat Exchange, Acrobat Player, Acrobat Search, Adobe Brilliant, Adobe Dimensions, Adobe Font Folio, Adobe HomePublisher, Adobe Illustrator, Adobe Memory Booster, Adobe Originals, Adobe Paint & Publish, Adobe PhotoDeluxe, Adobe Photoshop, Adobe Premiere, Adobe Streamline, Adobe Type Manager, After Effects, Art Explorer, ATM, ColorBurst, Color Central, Display PostScript, Fetch, FrameMaker, FrameMaker+SGML, FrameViewer, Gallery Effects, Image Club, IntelliDraw, OPEN, PageMaker, PageMill, Persuasion, PixelBurst, PostScript, PrePrint, PressWise, Print Central, PrintGear, ScreenReady, SiteMill, SuperATM, SuperPaint, TextureMaker, TrapWise, Type On Call, Type Reunion, Type Twister, and Wild Type are trademarks of Adobe Systems Incorporated. Apple and Macintosh are registered trademarks of Apple Computer, Inc. Lotus Notes is a registered trademark of Lotus Development Corporation. Windows is a registered trademark of Microsoft. UNIX is a registered trademark in the U.S. and other countries, licensed exclusively through X/Open Company, Ltd. All other trademarks are the property of their respective holders.

CORP 0095 11/95