

# Adobe Systems posts drop in 2Q profit, sales

June 17 2009, By BARBARA ORTUTAY , AP Technology Writer

---

(AP) -- Adobe Systems Inc., the company whose software powers Flash animation and PDF documents, posted a sharp drop in its fiscal second-quarter profit and sales Tuesday amid weaker demand in the economic downturn.

But the quarter's revenue inched past Wall Street's expectations, and adjusted earnings met those estimates as well as the company's own guidance.

For the three months ended May 29, Adobe earned \$126.1 million, or 24 cents per share, a 41 percent decrease from \$214.9 million, or 40 cents per share, a year earlier.

Excluding special items, the San Jose, Calif.-based company earned 35 cents per share, matching analysts' forecasts.

Revenue dropped 21 percent to \$704.7 million. That's slightly above the \$694.8 million that analysts polled by Thomson Reuters had predicted.

Adobe's CEO Shantanu Narayen said in a statement the company was "pleased with the solid profit margin and earnings results" the company delivered amid the global recession.

For the current quarter, Adobe forecast a profit of 20 cents to 27 cents per share. Excluding items, it is expecting 30 cents to 37 cents per share, which compares with analysts' estimates of 33 cents per share.

Adobe expects revenue of \$665 million to \$715 million, bracketing analysts' estimates of \$676 million.

The company, which said in December it is cutting 600 jobs, or 8 percent of its work force, reported a 13 percent decline in operating expenses for the quarter, to \$471.3 million.

Chief Financial Officer Mark Garrett said Adobe is continuing to invest in the areas of its business that will drive growth once the economy recovers. These include its core Acrobat and Creative Suite products, which bring in the bulk of Adobe's revenue, as well as products like LiveCycle, which is aimed at large businesses.

Acrobat is the set of software that creates and reads the ubiquitous PDF electronic documents. Creative Suite is a software package aimed at professional designers and Web developers. It includes Photoshop, Flash and Web design software Dreamweaver, among other applications.

Earlier this week, [Adobe](#) introduced an enhanced subscription service for its previously free Acrobat.com Web site, a step toward offering its software as services rather than just packaged products. The Acrobat subscription services target professionals and small businesses who want to work together online.

Adobe's shares slid 77 cents, or 2.7 percent, to \$27.40 in after-hours trading. Before the results were announced, the stock closed down 65 cents, or 2.3 percent, at \$28.17.

*©2009 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.*

Citation: Adobe Systems posts drop in 2Q profit, sales (2009, June 17) retrieved 26 April 2024 from <https://phys.org/news/2009-06-adobe-2q-profit-sales.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.