

Earnings down, but Adobe fiscal 4Q beats Street

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The Associated Press

Software maker Adobe Systems Inc. said Thursday that its fourth-quarter net income fell by more than a third, but revenue rose and results beat Wall Street expectations.

Adobe shares jumped more than 4 percent in after-hours trading.

Net income in the three months to Dec. 2 was \$173.9 million, or 35 cents per share, down from \$268.9 million, or 53 cents per share, a year ago.

Operating expenses increased almost 29 percent in the quarter.

Adjusted to exclude restructuring and other special charges, earnings per share amounted to 67 cents, beating the 60 cents expected by analysts polled by FactSet. Analysts generally exclude one-time charges.

Revenue rose 14 percent to \$1.15 billion, beating the \$1.09 billion that analysts expected.

Net income for the year rose to \$832.8 million from \$774.7 million in fiscal 2010. Annual revenue was \$4.22 billion compared with \$3.80 billion a year ago.

For the first quarter, Adobe is targeting revenue of \$1.03 billion to \$1.08 billion, which bookends the \$1.05 billion expected by analysts. The company sees adjusted earnings of 54 cents to 59 cents per share. Wall Street expects 58 cents a share.

For the 2012 fiscal year, Adobe looks for adjusted earnings of \$2.37 to \$2.47 per share. Analysts forecast earnings of \$2.44 a share. It expects annual revenue to grow 4 to 6 percent, implying revenue of \$4.38 billion to \$4.47 billion. That's higher than the \$4.36 billion analysts were looking for.

Adobe shares rose \$1.20, or 4.5 percent, to \$27.66 in after-hours trading following the earnings release. They closed down 6 cents at \$26.46.

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