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FOR IMMEDIATE RELEASE

Adobe Reports Record Revenue

Strong Cash Flow and Earnings Highlight Third Quarter Results

New Delhi — Sept. 20 2017 — Adobe (Nasdaq:ADBE) today reported financial results for its third quarter fiscal year 2017 ended Sept. 1, 2017.

Financial Highlights

- Adobe achieved record quarterly revenue of \$1.84 billion in its third quarter of fiscal year 2017, which represents 26 percent year-over-year revenue growth.
- Diluted earnings per share was \$0.84 on a GAAP-basis, and \$1.10 on a non-GAAP basis.
- Digital Media segment revenue was \$1.27 billion, with Creative revenue growing to \$1.06 billion.
- Digital Media Annualized Recurring Revenue (“ARR”) grew to \$4.87 billion exiting the quarter, a quarter-over-quarter increase of \$308 million.
- Adobe Experience Cloud achieved revenue of \$508 million, which represents 26 percent year-over-year growth.
- Operating income grew 48 percent and net income grew 55 percent year-over-year on a GAAP-basis; operating income grew 43 percent and net income grew 46 percent year-over-year on a non-GAAP basis.
- Cash flow from operations was \$704 million, and deferred revenue grew to approximately \$2.20 billion.
- The company repurchased approximately 2.1 million shares during the quarter, returning \$298 million of cash to stockholders.

A reconciliation between GAAP and non-GAAP results is provided at the end of this press release and on Adobe's website.

Executive Quotes

“Adobe delivered another record quarter with stellar year-over-year revenue growth of 26 percent,” said Shantanu Narayen, president and CEO, Adobe. “The imperative to deliver intelligent, intuitive and effective customer experiences is key to the C-suite agenda of digital

transformation, and Adobe's cloud offerings are critical to that business mandate."

"Our results in Q3 once again reflect the leverage of our financial model, with record revenue driven by our cloud-based subscription offerings, strong earnings and cash flow from operations," said Mark Garrett, executive vice president and CFO, Adobe.

Adobe to Webcast Earnings Conference Call

Adobe will webcast its third quarter fiscal year 2017 earnings conference call today at 2:00 p.m. Pacific Time from its investor relations website: www.adobe.com/ADBE. Earnings documents, including Adobe management's prepared conference call remarks with slides, financial targets and an investor datasheet are posted to Adobe's investor relations website in advance of the conference call for reference. A reconciliation between GAAP and non-GAAP earnings results and financial targets is also provided on the website.

Forward-Looking Statements Disclosure

This press release contains forward-looking statements, including those related to the importance of our products to our customers, product adoption, revenue, annualized recurring revenue, non-operating other expense, tax rate on a GAAP and non-GAAP basis, earnings per share on a GAAP and non-GAAP basis, and share count, all of which involve risks and uncertainties that could cause actual results to differ materially. Factors that might cause or contribute to such differences include, but are not limited to: failure to develop, market and offer products and services that meet customer requirements, introduction of new products, services and business models by competitors, fluctuations in subscription renewal rates, our ability to predict such renewals and risks related to the timing of revenue recognition from our subscription offerings and ETLAs, complex and unpredictable sales cycles for some enterprise offerings, failure to successfully manage transitions to new business models and markets, uncertainty in economic conditions and the financial markets, risks associated with cyber-

attacks and information security, potential interruptions or delays in hosted services provided by us or third parties, changes in accounting principles, and failure to realize the anticipated benefits of past or future acquisitions. For a discussion of these and other risks and uncertainties, please refer to Adobe's Annual Report on Form 10-K for our fiscal year 2016 ended Dec. 2, 2016, and Adobe's Quarterly Reports on Form 10-Q issued in fiscal year 2017.

The financial information set forth in this press release reflects estimates based on information available at this time. These amounts could differ from actual reported amounts stated in Adobe's Quarterly Report on Form 10-Q for our quarter ended Sept. 1, 2017, which Adobe expects to file in Sept. 2017.

Adobe assumes no obligation to, and does not currently intend to, update these forward-looking statements.

About Adobe Systems Incorporated

Adobe is changing the world through digital experiences. For more information, visit www.adobe.com.

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