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FOR IMMEDIATE RELEASE

Adobe Outlines Growth Strategy at Adobe MAX

Company Provides Preliminary Financial Targets for Fiscal Year 2018 at Financial Analyst Briefing

LAS VEGAS — Oct. 18, 2017 — Adobe Systems Incorporated (Nasdaq:ADBE) today will host a financial analyst briefing with investors and financial analysts at its Adobe MAX user conference.

At today's meeting in Las Vegas, Adobe's CEO and CFO will outline the company's momentum, opportunities and strategies across each of its major businesses. As part of their presentations, Adobe will review market research information which indicates the company's total addressable market has expanded to approximately \$83 billion by 2020. The Company is also providing preliminary financial targets for fiscal year 2018, and is reaffirming its current Q4 fiscal year 2017 revenue and earnings per share targets.

"Adobe's vision has never been more clear or more relevant – to empower people and businesses to design and deliver amazing digital experiences," said Shantanu Narayen, president and CEO, Adobe. "The FY2018 targets we are providing today include revenue growth of 20 percent and earnings growth of 30 percent, and reflect our continued momentum and leadership."

Adobe Provides Preliminary FY2018 Financial Targets

At today's financial analyst meeting, Adobe is providing preliminary financial targets for its fiscal year 2018, which are summarized in the table below.

Total Adobe revenue ¹	Approximately \$8.7 billion (~20 percent year-over-year growth)
Digital Media segment revenue	Approximately 23 percent year-over-year growth
Adobe Experience Cloud subscription revenue ²	Approximately 20 percent year-over-year growth
Adobe Experience Cloud total revenue	Approximately 15 percent year-over-year growth
GAAP earnings per share	Approximately \$4.40
Non-GAAP earnings per share	Approximately \$5.50
Digital Media Annualized Recurring Revenue ("ARR")	Approximately \$1 billion of net new ARR
Adobe Experience Cloud bookings ³	Approximately 20 percent year-over-year growth

¹ Revenue and earnings per share targets were set based on September 2017 foreign exchange ("FX") rates forward adjusted to mid-2018, which for current planning purposes are assumed to be constant during fiscal year 2018

² Includes revenue from SaaS, managed service and term offerings for Adobe Analytics Cloud and Adobe Marketing Cloud, as well as total revenue for Adobe Advertising Cloud

³ Includes annualized subscription value of SaaS, managed service and term offerings under contract for Adobe Analytics Cloud and Adobe Marketing Cloud

A reconciliation between FY2018 GAAP and non-GAAP earnings per share targets is provided later in this press release.

Adobe Reaffirms Q4 Revenue and Earnings Targets

Adobe stated it is on track to achieve Q4 FY2017 revenue of \$1.95 billion. The Company also stated it is on track to achieve its Q4 earnings per share targets of \$0.86 on a GAAP-basis, and \$1.15 on a non-GAAP basis.

A reconciliation between GAAP and non-GAAP earnings per share targets is provided later in this press release.

Adobe to Webcast Financial Analyst Meeting

Adobe will webcast its meeting with financial analysts and investors in attendance at Adobe MAX beginning at 5 p.m. Eastern Time today. People can access the webcast and slides from this event from the Adobe Investor Relations webpage at <http://www.adobe.com/ADBE>. The live video webcast will last approximately two hours and will be archived on Adobe's website for approximately 30 days. There will be no phone dial-in capability.

Forward-Looking Statements Disclosure

This press release contains forward-looking statements, including those related to business momentum and strategy, market expansion, revenue, earnings, annualized recurring revenue, bookings, operating cash flow, non-operating other expense, GAAP and non-GAAP tax rate, GAAP and non-GAAP earnings per share 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 enterprise term license agreements, 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.

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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ADOBE OUTLINES GROWTH STRATEGY AT ADOBE MAX

Reconciliation of GAAP to Non-GAAP Financial Targets

The following table shows Adobe's preliminary fiscal year 2018 GAAP earnings per share financial target reconciled to the non-GAAP target included in this document.

	<u>Fiscal Year 2018</u>
Diluted earnings per share:	
GAAP diluted earnings per share	\$ 4.40
Stock-based and deferred compensation expense	1.18
Amortization of purchased intangibles	0.28
Income tax adjustments	(0.36)
Non-GAAP diluted earnings per share	<u>\$ 5.50</u>
Shares used to compute diluted earnings per share (in millions)	<u>500.0</u>

The following table shows Adobe's fourth quarter fiscal year 2017 GAAP earnings per share target reconciled to the non-GAAP financial target included in this document.

	<u>Fourth Quarter Fiscal 2017</u>
Diluted net income per share:	
GAAP diluted net income per share.....	\$ 0.86
Stock-based and deferred compensation expense.....	0.25
Amortization of purchased intangibles	0.07
Income tax adjustments	(0.03)
Non-GAAP diluted net income per share.....	<u>\$ 1.15</u>
Shares used to compute diluted net income per share (in millions).....	<u>500.0</u>

Use of Non-GAAP Financial Information

Adobe continues to provide all information required in accordance with GAAP, but believes evaluating its ongoing operating results may not be as useful if an investor is limited to reviewing only GAAP financial measures. Adobe uses non-GAAP financial information to evaluate its ongoing operations and for internal planning and forecasting purposes. Adobe's management does not itself, nor does it suggest that investors should, consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Adobe presents such non-GAAP financial measures in reporting its financial results to provide investors with an additional tool to evaluate Adobe's operating results. Adobe believes these non-GAAP financial measures are useful because they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making. This allows institutional investors, the analyst community and others to better understand and evaluate our operating results and future prospects in the same manner as management.

Adobe's management believes it is useful for itself and investors to review, as applicable, both GAAP information that may include items such as stock-based and deferred compensation expenses, restructuring and other charges, amortization of purchased intangibles and certain activity in connection with technology license arrangements, investment gains and losses and the related tax impact of all of these items, income tax adjustments, the income tax effect of the non-GAAP pre-tax adjustments from the provision for income taxes, and the non-GAAP measures that exclude such information in order to assess the performance of Adobe's business and for planning and forecasting in subsequent periods. Whenever Adobe uses such a non-GAAP financial measure, it provides a reconciliation of the non-GAAP financial measure to the most closely applicable GAAP financial measure. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measure as detailed above.