Adobe Systems Investor Relations Data Sheet

Last Updated: December 15, 2016

	Description	Q1`14	Q2`14	Q3`14	Q4`14	FY2014	Q1`15	Q2`15	Q3`15	Q4`15	FY2015	Q1`16	Q2`16	Q3`16	Q4`16	FY2016
Revenue ($Millions)	**Total Revenue**	1,000.1	1,068.2	1,005.4	1,073.3	4,147.0	1,109.2	1,162.2	1,217.8	1,306.4	4,795.5	1,383.3	1,398.7	1,464.0	1,608.4	5,854.4
Revenue by Segment ($Millions)	**Digital Media**	641.1	691.6	621.4	649.0	2,603.1	702.8	747.5	769.7	875.3	3,095.2	931.7	943.1	990.0	1,076.2	3,941.0
	Digital Marketing	314.4	330.3	336.6	373.9	1,355.2	357.2	366.5	402.5	382.7	1,508.9	406.2	412.2	429.6	488.5	1,736.5
	Print & Publishing	44.6	46.3	47.4	50.4	188.7	49.2	48.2	45.6	48.4	191.4	45.4	43.4	44.4	43.7	176.9
Revenue by Segment (as % of total revenue)	**Digital Media**	64%	65%	62%	61%	63%	63%	64%	63%	67%	65%	68%	67%	68%	67%	67%
	Digital Marketing	31%	31%	33%	35%	33%	32%	32%	33%	29%	32%	29%	30%	29%	30%	30%
	Print & Publishing	5%	4%	5%	4%	4%	5%	4%	4%	4%	3%	3%	3%	3%	3%	3%
Supplementary Business Unit Data	**Digital Media**															
	Creative Revenue ($Millions)	447.0	495.3	413.3	451.9	1,807.5	509.4	550.9	576.1	666.6	2,302.9	732.9	754.9	802.7	885.6	3,176.1
	Creative ARR[1,2,3] ($Millions)	987	1,195	1,404	1,677	-	-	-	-	-	-	-	-	-	-	-
	Creative ARR[1,2,3] ($Millions) - *Updated for December 2014 Currency Rates*	-	-	-	1,612	-	1,795	2,027	2,289	2,599	-	-	-	-	-	-
	Creative ARR[1,3] ($Millions) - *Updated for December 2015 Currency Rates*	-	-	-	-	-	-	-	-	2,497	-	2,735	2,998	3,256	3,539	-
	Creative ARR[1,3] ($Millions) - *Updated for December 2016 Currency Rates*	-	-	-	-	-	-	-	-	-	-	-	-	-	3,515	-
	Document Cloud Revenue ($Millions)	194.1	196.3	208.1	197.1	795.6	193.4	196.6	193.6	208.7	792.3	198.8	188.2	187.3	190.6	764.9
	Document Cloud ARR[3,4] ($Millions)	164	183	217	271	-	-	-	-	-	-	-	-	-	-	-
	Document Cloud ARR[3,4] ($Millions) - *Updated for December 2014 Currency Rates*	-	-	-	265	-	297	329	357	397	-	-	-	-	-	-
	Document Cloud ARR[3,4] ($Millions) - *Updated for December 2015 Currency Rates*	-	-	-	-	-	-	-	-	385	-	393	415	442	475	-
	Document Cloud ARR[3,4] ($Millions) - *Updated for December 2016 Currency Rat*	-	-	-	-	-	-	-	-	-	-	-	-	-	472	-
	Total Digital Media ARR[2,3] (Creative ARR + Document Cloud ARR; $Millions)	1,151	1,378	1,621	1,948	-	-	-	-	-	-	-	-	-	-	-
	Total Digital Media ARR[2,3] ($Millions) - *Updated for December 2014 Currency Rates*	-	-	-	1,877	-	2,092	2,356	2,646	2,996	-	-	-	-	-	-
	Total Digital Media ARR[3] ($Millions) - *Updated for December 2015 Currency Rates*	-	-	-	-	-	-	-	-	2,882	-	3,128	3,413	3,698	4,014	-
	Total Digital Media ARR[3] ($Millions) - *Updated for December 2016 Currency Rates*	-	-	-	-	-	-	-	-	-	-	-	-	-	3,987	-

[1] Creative Annualized Recurring Revenue ("ARR") = Annual Value of Creative Cloud Subscriptions and Services + Annual Value of Creative ETLA Contracts + Annual Value of Digital Publishing Suite ("DPS") Contracts
[2] In Q3 FY15, Creative ARR and Digital Media ARR were restated for Q4 FY14, Q1 FY15 and Q2 FY15; the adjustment was based on the addition of approximately 40 thousand net new Creative Cloud Subscriptions during that time
[3] ARR is forecasted annually at December currency rates, and currency rates are held constant through that fiscal year for measurement purposes; end-of-year actual ARR balances are revalued at new December rates for the next fiscal year
[4] Document Cloud Annualized Recurring Revenue ("ARR") = Annual Value of Document Cloud Subscriptions and Services + Annual Value of Acrobat ETLA Contracts

	Description	Q1`14	Q2`14	Q3`14	Q4`14	FY2014	Q1`15	Q2`15	Q3`15	Q4`15	FY2015	Q1`16	Q2`16	Q3`16	Q4`16	FY2016
	Digital Marketing															
	Adobe Marketing Cloud Revenue ($Millions)	267.0	282.9	290.1	330.3	1,170.3	311.5	326.6	368.4	352.2	1,358.7	377.3	385.4	404.0	464.7	1,631.4
	LiveCycle and Web Conferencing Revenue ($Millions)	47.4	47.4	46.5	43.6	184.9	45.7	39.9	34.1	30.5	150.2	28.9	26.8	25.6	23.8	105.1
Revenue by Geography ($Millions)	**Americas**	536.6	579.2	582.0	616.6	2,314.4	644.6	669.2	698.1	776.2	2,788.1	806.5	820.0	851.9	921.7	3,400.1
	EMEA	299.8	296.6	275.2	308.2	1,179.8	307.1	323.9	350.1	355.4	1,336.4	385.6	380.6	400.2	452.7	1,619.1
	Asia	163.7	192.4	148.2	148.5	652.8	157.5	169.1	169.6	174.8	671.0	191.2	198.1	211.9	234.0	835.2
Revenue by Geography (as % of total revenue)	**Americas**	54%	54%	58%	57%	56%	58%	58%	57%	60%	58%	58%	59%	58%	57%	58%
	EMEA	30%	28%	27%	29%	28%	28%	28%	29%	27%	28%	28%	27%	27%	28%	28%
	Asia	16%	18%	15%	14%	16%	14%	14%	14%	13%	14%	14%	14%	15%	15%	14%
Supplementary Cost of Revenue Data ($Millions)	**Digital Media**	38.1	36.1	38.7	36.1	149.0	44.3	50.7	56.5	59.0	210.6	54.6	58.2	56.8	61.6	231.1
	Digital Marketing	108.0	115.9	117.0	122.8	463.7	120.4	131.9	132.4	140.6	525.3	141.9	142.0	144.1	153.1	581.1
	Print & Publishing	2.4	2.9	2.0	2.0	9.3	2.1	2.6	2.1	1.8	8.4	2.1	1.9	1.8	1.9	7.7
	Total	148.5	154.9	157.7	160.9	622.0	166.8	185.2	191.0	201.4	744.3	198.6	202.1	202.7	216.6	819.9
Stock-Based and Deferred Compensation Expenses ($Millions)	**Direct Costs**	4.1	4.6	4.6	5.0	18.3	5.0	5.0	4.6	5.0	19.6	5.5	5.3	5.0	5.3	21.1
	Research & Development	31.2	30.2	30.6	31.3	123.3	31.1	29.1	29.0	29.5	118.7	32.8	30.2	30.6	30.9	124.5
	Sales & Marketing	30.7	29.9	30.2	30.5	121.3	32.1	33.0	33.2	30.0	128.3	33.6	33.0	32.2	32.2	131.0
	General & Administrative	17.5	18.9	18.3	18.2	72.9	18.4	18.3	17.6	17.2	71.5	19.8	18.7	18.3	18.2	75.0
	Total	83.5	83.6	83.7	85.0	335.8	86.6	85.4	84.4	81.7	338.1	91.7	87.2	86.1	86.6	351.6
Other Data	**Worldwide Employees**	11,802	12,026	12,368	12,499	-	12,698	13,266	13,665	13,893	-	14,154	14,844	15,381	15,706	-
	Days Sales Outstanding - Trade Receivables	46	45	48	50	-	44	39	44	47	-	42	43	45	47	-
	Diluted Shares Outstanding	508.3	506.7	507.8	507.5	508.5	507.5	505.6	505.8	506.0	507.2	505.7	504.7	503.7	501.2	504.3

Adobe provides this information as of the modification date above and makes no commitment to update the information subsequently.
For a full explanation of this data, you are encouraged to review Adobe's Form 10-K and 10-Q SEC filings.

Adobe Systems Investor Relations Data Sheet

Income Statement - Reconciliation of GAAP to Non-GAAP
Last Updated: December 15, 2016

	Description	Q1`14	Q2`14	Q3`14	Q4`14	FY2014	Q1`15	Q2`15	Q3`15	Q4`15	FY2015	Q1`16	Q2`16	Q3`16	Q4`16	FY2016
GAAP ($Millions, except EPS)	Revenue	1,000.1	1,068.2	1,005.4	1,073.3	4,147.0	1,109.2	1,162.2	1,217.8	1,306.4	4,795.5	1,383.3	1,398.7	1,464.0	1,608.4	5,854.4
	Cost of revenue	148.5	154.9	157.7	160.9	622.0	166.8	185.2	191.0	201.4	744.3	198.6	202.1	202.7	216.5	819.9
	Gross profit	851.6	913.3	847.7	912.4	3,525.0	942.4	977.0	1,026.8	1,105.0	4,051.2	1,184.8	1,196.6	1,261.3	1,391.9	5,034.5
	Operating expenses	772.9	778.1	773.5	787.9	3,112.4	769.4	783.4	780.8	814.6	3,148.1	877.0	852.4	891.9	919.6	3,540.9
	Operating income	78.7	135.2	74.2	124.5	412.6	173.0	193.6	246.0	290.4	903.1	307.8	344.2	369.3	472.3	1,493.6
	Non-operating income (expense)	(13.9)	(14.0)	(11.2)	(12.2)	(51.3)	(9.8)	(12.6)	(13.4)	6.5	(29.3)	(15.5)	(14.4)	(13.0)	(15.6)	(58.5)
	Income before income taxes	64.8	121.2	63.0	112.3	361.3	163.2	181.0	232.6	296.9	873.8	292.3	329.8	356.3	456.7	1,435.1
	Provision for income taxes	17.8	32.7	18.3	24.1	92.9	78.4	33.5	58.1	74.2	244.2	38.0	85.7	85.5	57.1	266.3
	Net income	47.0	88.5	44.7	88.2	268.4	84.8	147.5	174.5	222.7	629.6	254.3	244.1	270.8	399.6	1,168.8
	Diluted earnings per share	$ 0.09	$ 0.17	$ 0.09	$ 0.17	$ 0.53	$ 0.17	$ 0.29	$ 0.34	$ 0.44	$ 1.24	$ 0.50	$ 0.48	$ 0.54	$ 0.80	$ 2.32
Adjustments to Reconcile to Non-GAAP ($Millions)	Cost of revenue															
	Stock-based and deferred compensation	(4.1)	(4.6)	(4.6)	(5.0)	(18.3)	(5.0)	(5.0)	(4.6)	(4.9)	(19.6)	(5.5)	(5.3)	(5.0)	(5.3)	(21.1)
	Amortization of purchased intangibles and technology license arrangements	(18.5)	(18.5)	(18.7)	(18.9)	(74.6)	(19.5)	(22.0)	(22.8)	(19.6)	(83.9)	(17.9)	(13.6)	(13.4)	(12.6)	(57.5)
	Total adjustments to cost of revenue	(22.6)	(23.1)	(23.3)	(23.9)	(92.9)	(24.5)	(27.0)	(27.4)	(24.6)	(103.5)	(23.4)	(18.9)	(18.4)	(17.9)	(78.7)
	Operating expenses															
	Stock-based and deferred compensation	(79.5)	(79.0)	(79.0)	(80.0)	(317.5)	(81.6)	(80.4)	(79.8)	(76.8)	(318.5)	(86.2)	(81.9)	(81.1)	(81.3)	(330.4)
	Restructuring and other charges	(0.7)	0.4	(0.2)	(19.4)	(19.9)	(1.8)	-	0.8	(0.5)	(1.6)	0.4	0.5	0.3	0.3	1.5
	Amortization of purchased intangibles and technology license arrangements	(13.6)	(13.4)	(13.1)	(12.4)	(52.5)	(14.3)	(18.1)	(18.2)	(18.1)	(68.6)	(18.4)	(19.0)	(22.7)	(18.5)	(78.5)
	Loss contingency (reversal)	(10.0)	-	-	-	(10.0)	-	-	10.0	-	10.0	-	-	-	-	-
	Total adjustments to operating expenses	(103.8)	(92.0)	(92.3)	(111.8)	(399.9)	(97.7)	(98.5)	(87.3)	(95.3)	(378.7)	(104.2)	(100.4)	(103.5)	(99.5)	(407.4)
	Non-operating income (expense)	0.4	(0.6)	(0.7)	(0.3)	(1.2)	(1.4)	(0.2)	1.3	(22.0)	(22.4)	1.2	3.3	(1.5)	(1.4)	1.6
	Taxes	22.4	16.8	19.1	27.9	86.2	(18.7)	30.8	15.1	8.7	35.9	50.4	9.3	14.6	63.1	137.4
Non-GAAP ($Millions, except EPS)	Revenue	1,000.1	1,068.2	1,005.4	1,073.3	4,147.0	1,109.2	1,162.2	1,217.8	1,306.4	4,795.5	1,383.3	1,398.7	1,464.0	1,608.4	5,854.4
	Cost of revenue	125.9	131.8	134.4	137.0	529.1	142.2	158.2	163.6	176.8	640.8	175.2	183.2	184.3	198.6	741.2
	Gross profit	874.2	936.4	871.0	936.3	3,617.9	967.0	1,004.0	1,054.2	1,129.6	4,154.7	1,208.1	1,215.5	1,279.7	1,409.8	5,113.2
	Operating expenses	669.2	686.1	681.2	676.1	2,712.6	671.8	684.9	693.5	719.3	2,769.4	772.8	752.0	788.5	820.1	3,133.5
	Operating income	205.0	250.3	189.8	260.2	905.3	295.2	319.1	360.7	410.3	1,385.3	435.3	463.5	491.1	589.7	1,979.7
	Non-operating income (expense)	(13.4)	(14.5)	(11.9)	(12.6)	(52.4)	(11.2)	(12.9)	(12.1)	(15.5)	(51.7)	(14.3)	(11.1)	(14.6)	(16.9)	(56.9)
	Income before income taxes	191.6	235.8	177.9	247.6	852.9	284.0	306.2	348.6	394.8	1,333.6	421.0	452.4	476.6	572.8	1,922.8
	Provision for income taxes	40.2	49.5	37.4	52.0	179.1	59.6	64.3	73.2	82.9	280.1	88.4	95.0	100.1	120.2	403.7
	Net income	151.4	186.3	140.6	195.6	673.9	224.4	241.9	275.4	311.9	1,053.5	332.6	357.4	376.5	452.6	1,519.1
	Diluted earnings per share	$ 0.30	$ 0.37	$ 0.28	$ 0.39	$ 1.33	$ 0.44	$ 0.48	$ 0.54	$ 0.62	$ 2.08	$ 0.66	$ 0.71	$ 0.75	$ 0.90	$ 3.01
Shares	Diluted shares outstanding	508.3	506.7	507.8	507.5	508.5	507.5	505.6	505.8	506.0	507.2	505.7	504.7	503.7	501.2	504.3
Reconciliation of Diluted Earnings Per Share ($)	GAAP diluted earnings per share	0.09	0.17	0.09	0.17	0.53	0.17	0.29	0.34	0.44	1.24	0.50	0.48	0.54	0.80	2.32
	Stock-based and deferred compensation	0.16	0.16	0.16	0.17	0.65	0.17	0.17	0.17	0.16	0.67	0.18	0.17	0.17	0.17	0.70
	Restructuring and other charges	-	-	-	0.04	0.04	-	-	-	-	-	-	-	-	-	-
	Amortization of purchased intangibles and technology license arrangements	0.06	0.06	0.06	0.06	0.24	0.07	0.08	0.08	0.07	0.30	0.07	0.06	0.07	0.06	0.27
	Non-operating income (expense)	-	-	-	-	-	-	-	-	(0.04)	(0.04)	-	0.01	-	-	-
	Loss contingency (reversal)	0.02	-	-	-	0.02	-	-	(0.02)	-	(0.02)	-	-	-	-	-
	Income tax adjustments	(0.03)	(0.02)	(0.03)	(0.05)	(0.15)	0.03	(0.06)	(0.03)	(0.01)	(0.07)	(0.09)	(0.01)	(0.03)	(0.13)	(0.28)
	Non-GAAP diluted earnings per share	$ 0.30	$ 0.37	$ 0.28	$ 0.39	$ 1.33	$ 0.44	$ 0.48	$ 0.54	$ 0.62	$ 2.08	$ 0.66	$ 0.71	$ 0.75	$ 0.90	$ 3.01
Reconciliation of GAAP to Non-GAAP Operating Margin	GAAP operating margin	7.9%	12.7%	7.4%	11.6%	10.0%	15.6%	16.7%	20.2%	22.2%	18.8%	22.2%	24.6%	25.2%	29.4%	25.5%
	Stock-based and deferred compensation	8.4%	7.8%	8.3%	7.9%	8.1%	7.8%	7.3%	6.9%	6.3%	7.0%	6.6%	6.2%	5.9%	5.4%	6.0%
	Restructuring and other charges	0.1%	-	-	1.8%	0.5%	0.2%	-	-0.1%	-	-	-	-	-	-	-
	Amortization of purchased intangibles and technology license arrangements	3.1%	2.9%	3.2%	2.9%	3.0%	3.0%	3.5%	3.4%	2.9%	3.3%	2.7%	2.3%	2.4%	1.9%	2.3%
	Loss contingency (reversal)	1.0%	-	-	-	0.2%	-	-	-0.8%	-	-0.2%	-	-	-	-	-
	Non-GAAP operating margin	20.5%	23.4%	18.9%	24.2%	21.8%	26.6%	27.5%	29.6%	31.4%	28.9%	31.5%	33.1%	33.5%	36.7%	33.8%

The above results are supplied to provide meaningful supplemental information regarding Adobe's core operating results because such information excludes amounts that are not necessarily related to its core operating results. Adobe uses this non-GAAP financial information in assessing the performance of the Company's ongoing operations, and for planning and forecasting in future periods. This non-GAAP information should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

FY2016 Business Segment Classifications

Last Updated: September 20, 2016

	Products		
Digital Media	**Creative**		
	Creative Cloud	**Creative Cloud Desktop Apps**	**Creative Cloud Mobile Apps**
	Creative Cloud for individuals	Acrobat Pro DC	Behance
	Creative Cloud for students and teachers	After Effects	Capture
	Creative Cloud for teams	Animate (formerly Flash Professional)	Creative Portfolio
	Creative Cloud for enterprises	Audition	Illustrator Draw
	Creative Cloud for education	Bridge	Illustrator Line
	Creative Cloud Photography plan	Dreamweaver	Lightroom Mobile
		Experience Design (Preview)	Photoshop Express
	Services	Fireworks CS6	Photoshop Fix
	AIR/Flash Player	Fuse (Preview)	Photoshop Mix
	Aviary	Illustrator	Photoshop Touch
	Behance	InCopy	Photoshop Sketch
	Creative SDK	InDesign	Prelude Live Logger
	Creative Talent Search	Ink & Slide	Premiere Clip
	Digital Publishing Suite	Media Encoder	Spark Page (formerly Slate)
	FlashBuilder/Flex	Muse	Spark Post (formerly Post)
	Gaming SDK	Photoshop	Spark Video (formerly Voice)
	PhoneGap Build	Photoshop Lightroom	
	Portfolio	Prelude	**Creative Suites**
	Stock	Premiere Pro	Creative Suite Design Standard
	Story Plus	Scout	Creative Suite Design and Web Premium
	Typekit	Speedgrade	Creative Suite Production Premium
		Story Plus	Creative Suite Master Collection
	Consumer Products		
	Photoshop Elements		
	Premiere Elements		
	Document Cloud		
	Acrobat DC Pro	Document Cloud eSign	PDF Pack
	Acrobat DC Standard	Document Cloud ExportPDF	
	Adobe DC Reader	Document Cloud Send	
Digital Marketing	**Adobe Marketing Cloud**		
	Adobe Analytics	**Adobe Experience Manager**	**Adobe Primetime**
	Standard	Assets	PayTV Pass
	Premium	Communities	TV SDKs (Player, DRM, Packaging)
	Video	Forms	Ad Insertion, Ad Decisioning
	Mobile Apps	Livefyre	
		Mobile	**Adobe Social**
	Adobe Audience Manager	Sites	Social
	Audience Manager		
		Adobe Media Optimizer	**Adobe Target**
	Adobe Campaign	Media Optimizer	Targeting & Personalization
	Campaign		Search & Merchandising
			Mobile App Targeting & Optimization
	LiveCycle	**Web Conferencing**	
	LiveCycle	Connect	
Print & Publishing	Authorware	eLearning Suite	PostScript
	Captivate	Font Folio	Robohelp
	ColdFusion	FrameMaker	Shockwave Player
	Contribute	JRun	Technical Communication Suite
	Director	PageMaker	Type

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