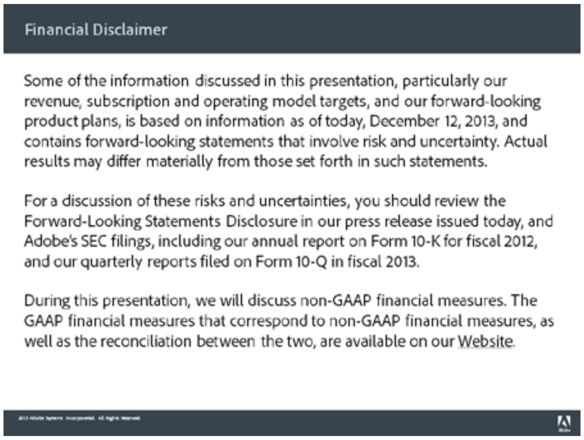
MIKE SAVIAGE

Good afternoon and thank you for joining us today. Joining me on the call are Adobe's President and CEO, Shantanu Narayen, as well as Mark Garrett, Executive Vice President and CFO.

In the call today, we will discuss Adobe's fourth quarter and fiscal year 2013 financial results. By now, you should have a copy of our earnings press release which crossed the wire approximately one hour ago. We've also posted PDFs of our earnings call prepared remarks and slides, our financial targets and an updated investor datasheet on Adobe.com. If you would like a copy of these documents, you can go to the Investor Relations page and find them listed under Quick Links.



Before we get started, we want to emphasize that some of the information discussed in this call, particularly our revenue, subscription and operating model targets, and our forward-looking product plans, is based on information as of today, December 12th, 2013, and contains forward-looking statements that involve risk and uncertainty. Actual results may differ materially from those set forth in such statements. For a discussion of these risks and uncertainties, you should review the Forward-Looking Statements Disclosure in the earnings press release we issued today, as well as Adobe's SEC filings.

During this call, we will discuss GAAP and non-GAAP financial measures. A reconciliation between the two is available in our financial targets document and in our updated investor datasheet on Adobe's Investor Relations website.

Call participants are advised that the audio of this conference call is being webcast live in Adobe Connect, and is also being recorded for playback purposes. An archive of the webcast will be made available on Adobe's Investor Relations website for approximately 45 days, and is the property of Adobe. The call audio and the webcast archive may not be re-recorded, or otherwise reproduced or distributed without prior written permission from Adobe.

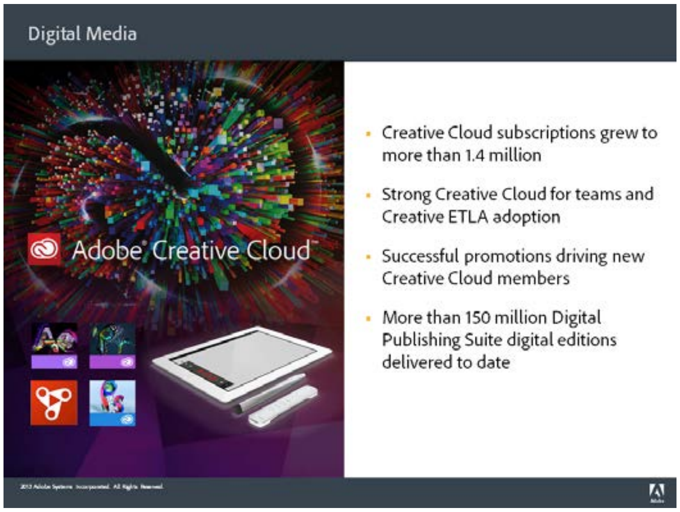
I will now turn the call over to Shantanu.

SHANTANU NARAYEN

Thanks Mike and good afternoon.

Our objective in fiscal year 2013 was to establish leadership in the explosive Digital Media and Digital Marketing categories. I am pleased to report we exceeded the key targets we outlined at the beginning of the year. Through the innovation we've delivered to our customers, we were able to beat our annualized recurring revenue goal in Digital Media, and exceed $1 billion in Adobe Marketing Cloud revenue. More importantly, we have set the stage with our market-leading offerings for accelerated growth.

In Q4 we delivered revenue of $1.04 billion dollars, contributing to total revenue of more than $4 billion in FY13.



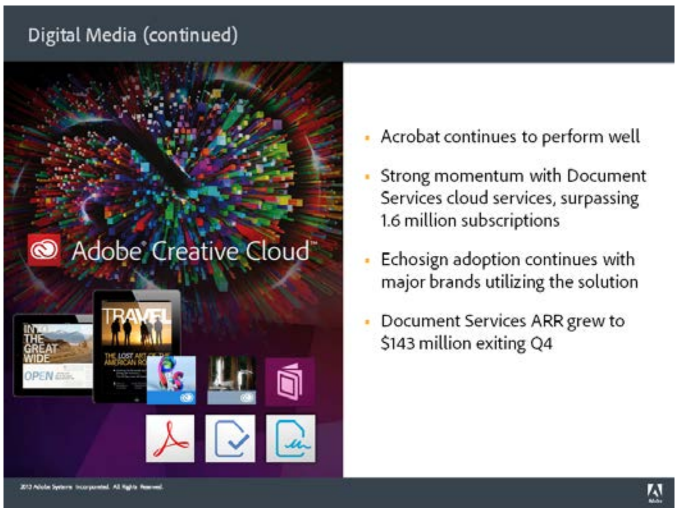
In Digital Media, we continued to make great progress with our Creative Cloud service. As of the end of Q4, Creative Cloud adoption grew to over 1.4 million subscriptions, exceeding our original target of 1.25 million for the year. Creative Cloud members are receiving a constant stream of new features, products and services each month, and customer satisfaction is high based on our surveys. In addition to paid members, we currently have millions of customers in the pipeline who are trying out the service.

In addition to success with Creative Cloud for individuals, Creative Cloud for teams and enterprise term-based licensing, or ETLAs, also had strong results in Q4. Teams of creatives are realizing the benefits of collaboration, and enterprises are increasing their adoption due to simplified licensing models and integration with Adobe Marketing Cloud's digital asset management capabilities.

As a result of the strong subscription uptake and increased enterprise adoption, total Creative annualized recurring revenue, or ARR, grew by $219 million in Q4.

The Creative Cloud offering continues to evolve to ensure that we are satisfying our existing subscribers and attracting new members. In September, we introduced the Photoshop Photography Program, providing Photoshop and Lightroom via Creative Cloud to professional photographers and hobbyists at an affordable monthly price. Uptake on this offer has been strong, and we believe adding these users is accretive to our long-term goals.

We continue to build momentum with our digital publishing business, with more than 150 million digital editions delivered to consumers through app stores. This week, we announced that we will be publishing the technical specification for our .folio format, which will further accelerate digital publication adoption. Having established leadership with major publishers, we are now focused on enabling corporate brands like AIG, Prudential, REI and Pacific Life to create tablet apps for use cases such as sales enablement, and company magazines and brochures.



In our Document Services business, Acrobat continued to perform well, with our online document services continuing their strong momentum. We have now surpassed 1.6 million Document Services subscriptions. EchoSign adoption continues, with brands including Volvo, Mary Kay Cosmetics and Citi. Combined with Acrobat ETLAs, Document Services ARR grew to $143 million exiting Q4.

Total Digital Media ARR grew to $911 million as we exited the year, surpassing our original and most recent targets of $800 million and $875 million respectively.

In our Digital Marketing business, we achieved 38% year-over-year revenue growth with Adobe Marketing Cloud in Q4 – with total annual revenue of more than $1 billion in FY13. We continue to have the most comprehensive offering in the market for chief marketing officers, chief revenue officers, advertising agencies, publishing executives and digital marketers. Our growth is coming from new logos, as well as increased adoption of our 6 solutions which is increasing our revenue per customer.

We continued to deliver significant innovation to Adobe Marketing Cloud customers during Q4, including major updates to Adobe Analytics, Adobe Campaign, Adobe Social and Adobe Target. We have made progress in our integration of Adobe Campaign, our cross-channel campaign management solution that came through our acquisition of Neolane. We became the first cross-channel campaign management provider to charge based on customer profiles instead of email CPMs. This will give marketers a more cost-effective and broader campaign management engine.

As we meet with senior-level digital marketers around the world, we hear the same themes:

- They are challenged by the growth in the amount of digital content that needs to be created, published and personalized;
- The need to replatform their web infrastructure to support mobile devices and social platforms; and
- The complexity of managing campaigns effectively across media, channels and devices and the need to quantify marketing ROI with data.

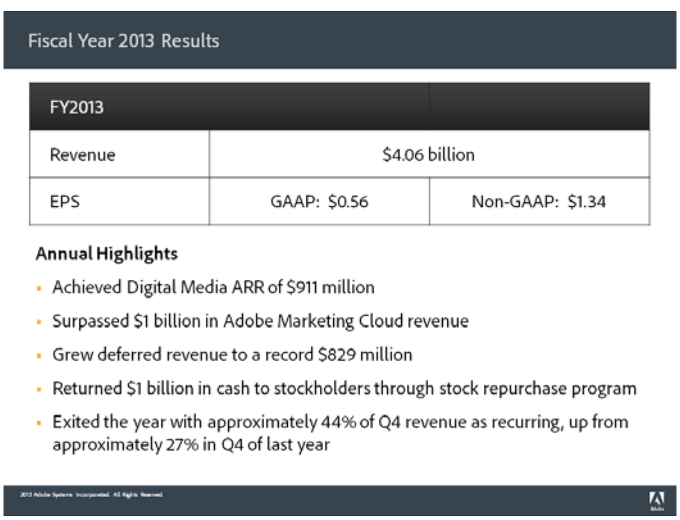
We know that customers don't want to be burdened with stringing together point solutions. With the most complete, integrated digital marketing offering and a long history serving marketers, publishers and agencies, we believe Adobe is in the best position in this space.

In summary, 2013 was an outstanding year. Now, I'll turn it over to Mark.

MARK GARRETT

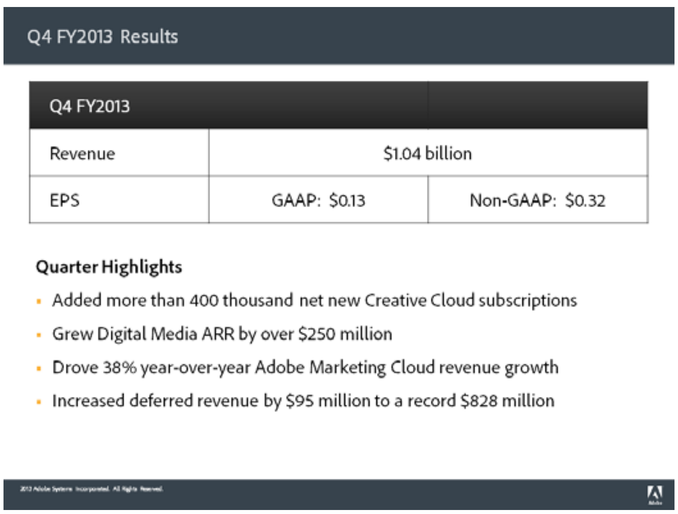
Thanks Shantanu.

Our earnings report today covers both Q4 and fiscal year 2013 results. I'm also going to spend some time discussing targets for next year and beyond.



In FY13, Adobe achieved revenue of 4 billion 55 million dollars. We had an amazing year in transitioning our Creative business to a subscription model, and building a fast-growing, market-leading, Marketing Cloud business. Key financial highlights from the year included:

- Exiting the year with Digital Media ARR of $911 million;
- Surpassing $1 billion in Adobe Marketing Cloud revenue;
- Growing deferred revenue to a record $829 million;
- Returning $1 billion in cash to stockholders through our stock repurchase program;
- And building a more predictable revenue stream. In Q4, approximately 44% of our revenue was recurring, up from approximately 27% in Q4 of last year.



In the fourth quarter of FY13, Adobe achieved revenue of 1 billion 42 million dollars. GAAP diluted earnings per share in Q4 were 13 cents. Non-GAAP diluted earnings per share were 32 cents.

Highlights in the quarter included:

- Adding more than 400 thousand net new Creative Cloud subscriptions;
- Growing Digital Media ARR by over $250 million;
- Driving 38% Adobe Marketing Cloud year-over-year revenue growth; and
- Increasing deferred revenue by $95 million to a record $829 million.

Digital Media Results – Creative Cloud

Metric	Q4 FY12	Q3 FY13	Q4 FY13
Total paid subscriptions exiting the quarter (thousands)	332	1,037	1,439
Creative ARR (millions)	$155	$549	$768
Percentage on Annual (vs. month-to-month)	90%	95%	96%
Percentage with full Creative Cloud (vs. point products)	81%	81%	76%

- Achieved total Digital Media revenue of $631 million in Q4
- Exited Q4 with 1 million 439 thousand paid Creative Cloud individual and team subscriptions
  - Increase of 402 thousand net new subscriptions
  - Achieved Creative ARR of $768 million, an increase of $219 million Q/Q
- Retention rates remained strong

In Digital Media we achieved revenue of $631 million. This segment has two major components of revenue: our Creative family of products and our Document Services products.

In our Creative business, customer adoption of Creative Cloud accelerated. We exited Q4 with 1 million 439 thousand paid Creative Cloud individual and team subscriptions. This performance was driven by continued strong adoption of Creative Cloud for individuals, and from Creative Cloud for team subscriptions – which grew 62% quarter-over-quarter. The special Photography offer launched in September helped drive new customer acquisition. In addition to the overwhelming majority of individual subscriptions being transacted on our website, we are also seeing a larger percentage of Creative Cloud for team customers choosing to transact on Adobe.com.

Creative Cloud ETLA momentum accelerated in Q4. In the year we closed more than 1,000 Creative ETLA contracts of greater than $100,000, with more than 80 contracts over $1 million. As a reminder, ETLAs are generally 3 year contracts.

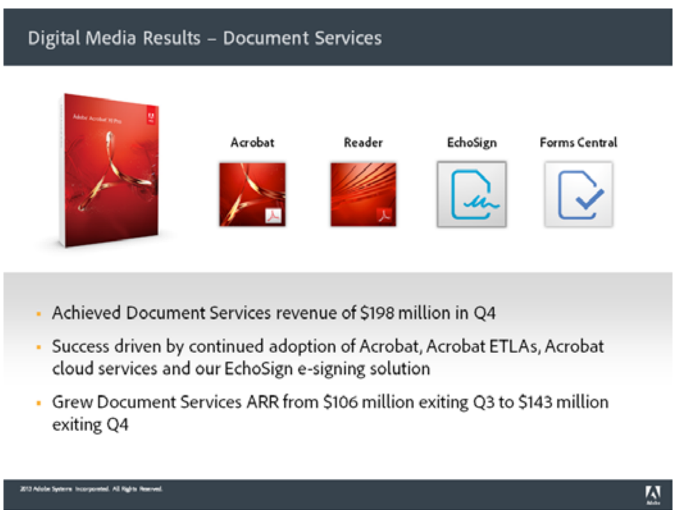
Combined, our success with subscription and ETLA adoption helped to drive Creative ARR to a total of $768 million exiting Q4, an increase of $219 million quarter-over-quarter.

Our strategic goal continues to be to accelerate adoption of Creative Cloud and we are focusing all of our innovation there. We added over 500 new and enhanced features to Creative Cloud in FY13, which is driving higher customer satisfaction.

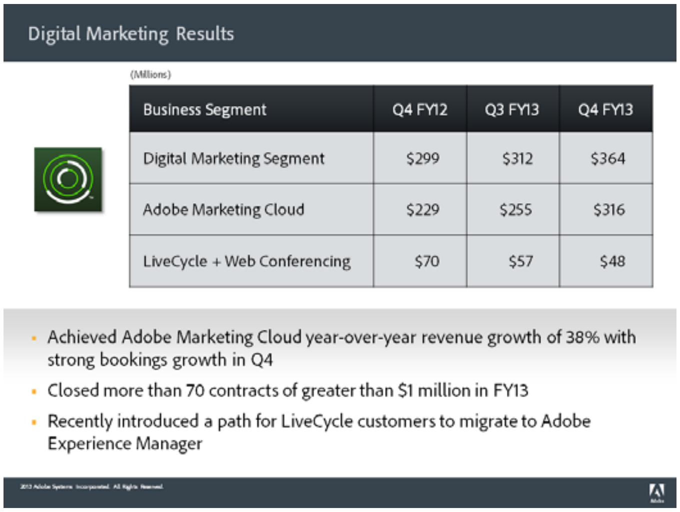
In addition to promoting the value of Creative Cloud, we are using a variety of targeted promotions to drive awareness, consideration and purchase. This strategy is working and helped to drive our strong subscription and ARR results during the year. In Q4, overall monthly Average Revenue Per User, or ARPU, declined slightly from prior quarters, consistent with our desire to drive customer acquisition. As we make further progress of migrating our large base of users to Creative Cloud, we intend to deliver enhanced value and new services which will help grow ARPU over time.

Creative Cloud members continue to renew as their introductory pricing expires, and overall Creative Cloud retention continues to be above the rate we originally modeled.

As of the end of Q4, 96% of Creative Cloud subscriptions are annual plans, versus month-to-month. Our successful Photography offer targeting professional and hobbyist photographers drove the percentage of single app subscriptions to grow slightly.



In Document Services, we achieved revenue of $198 million in Q4. Our success in this category is being driven by continued adoption of Acrobat, Acrobat ETLAs, Acrobat cloud services and our EchoSign e-signing contract solution. Document Services ARR grew from $106 million exiting Q3 to $143 million exiting Q4.



Business Segment	Q4 FY12	Q3 FY13	Q4 FY13
Digital Marketing Segment	$299	$312	$364
Adobe Marketing Cloud	$229	$255	$316
LiveCycle + Web Conferencing	$70	$57	$48

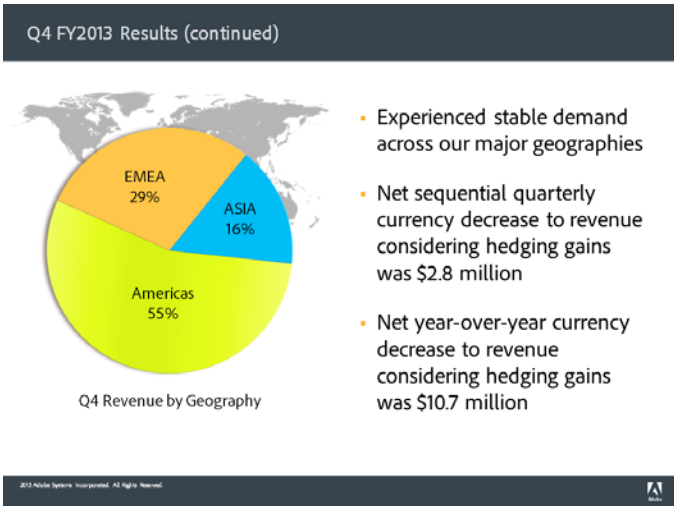
In our Digital Marketing segment, there are two components. The first is revenue from our Adobe Marketing Cloud offering, and in Q4 we achieved Adobe Marketing Cloud revenue of $316 million – representing year-over-year growth of 38%. We also drove strong bookings in the quarter.

Total transactions managed by all our Marketing Cloud solutions grew to more than 5 trillion in Q4. Mobile device use continues to be a driver in our Digital Marketing business; mobile transactions increased to 33% of total Adobe Analytics transactions, up from 28% last quarter.

Our focus on solution selling in Digital Marketing has been a big catalyst for the business this year. The size of our engagements with customers has grown substantially, and new customer acquisition has also been a big driver of our Adobe Marketing Cloud growth. In FY13, we closed more than 70 contracts of greater than $1 million.

The second component of our Digital Marketing segment is revenue from the LiveCycle and Connect businesses, which contributed $48 million in Q4 revenue. We recently introduced a path for LiveCycle customers to migrate to our Adobe Experience Manager offering. We believe this enhances customer satisfaction and provides an Adobe Marketing Cloud upsell opportunity. As a result, we expect LiveCycle revenue will continue to decline, while Connect revenue will remain relatively flat.

Print and Publishing segment revenue was flat quarter-over-quarter – consistent with our expectations.

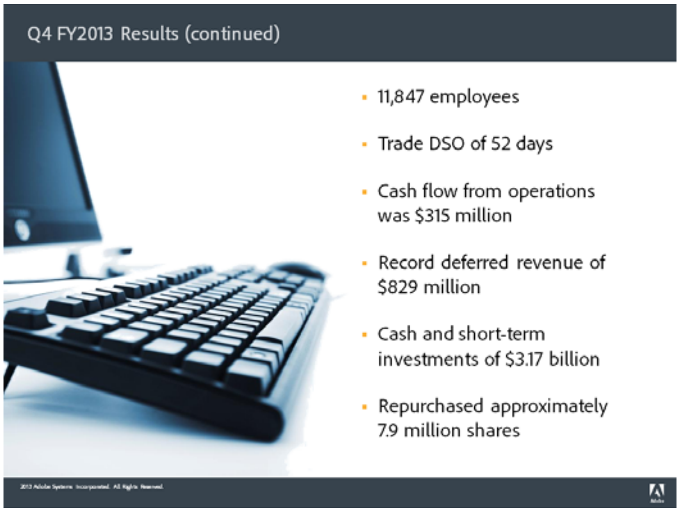


Geographically, we experienced stable demand across our major geographies.

From a currency perspective, quarter-over-quarter FX rate changes had a $4.6 million positive impact on reported revenue. Hedging gains contributed $3.1 million to revenue in Q4 FY13, versus $10.5 million in Q3 FY13, thus the net sequential quarterly currency decrease to revenue considering hedging gains was $2.8 million.

Year-over-year, FX rate changes had an $11.8 million negative impact on reported revenue. Comparing the $3.1 million in Q4 FY13 hedging gains to the $2 million of hedging gains in Q4 FY12, the net year-over-year currency decrease to revenue considering hedging gains was $10.7 million.

In Q4, Adobe's effective tax rate was 26% on a GAAP basis, and 21% on a non-GAAP basis. The GAAP rate was higher primarily due to taxes accrued as a result of the completion of certain income tax examinations during the quarter.



Employees at the end of Q4 totaled 11,847 versus 12,035 at the end of last quarter. The decline was primarily due to summer interns returning to school.

Our trade DSO was 52 days, which compares to 49 days in the year-ago quarter, and 48 days last quarter. Our DSO inched up due to record deferred revenue exiting the quarter.

Cash flow from operations was $315 million in the quarter. And our ending cash and short-term investment position was $3.17 billion, compared to $3.16 billion at the end of Q3.

In Q4, we repurchased approximately 7.9 million shares at a total cost of $405 million.


Financial Targets
December 12, 2013

Long-term Targets		
Digital Media segment revenue	~20% CAGR between FY14 and FY16	
Adobe Marketing Cloud revenue	~25% CAGR between FY14 and FY16	
Adobe Marketing Cloud bookings	~30% CAGR between FY14 and FY16	
Total Adobe revenue	~20% CAGR between FY14 and FY16	
Non-GAAP EPS	~$2.00 in FY15	>$3.00 in FY16

The information discussed on this slide contains forward looking statements that involve risk and uncertainty. Actual results may differ materially. For a discussion of these risks and uncertainties, you should review Adobe's SEC filings. Please see our website for a detailed reconciliation between GAAP and non-GAAP targets.

Now, I would like to go over our financial outlook.

Before discussing our targets in fiscal 2014, we want to provide additional color around our long-term growth rates and earnings potential.

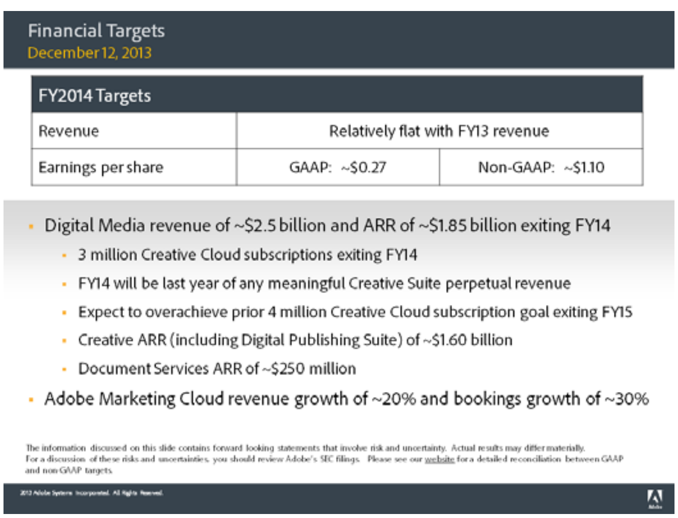
We are thrilled with our success to date in transitioning our business to a model that includes more recurring revenue and predictability, and at the same time, is enabling us to target higher top-line growth. This includes moving our Creative business to a growth-oriented subscription model, as well as building and driving a high-growth SaaS business in Digital Marketing. As a result of our momentum in both of these businesses, and our belief in our ability to execute on and seize these two large opportunities, we are raising our long-term revenue growth targets in both areas.

In our Digital Media segment, customer adoption of Creative Cloud is proceeding more quickly than we anticipated. Subscriptions and ARR have grown faster than expected, and as a result perpetual Creative revenue has fallen off more quickly. As such, we are targeting an annual Digital Media revenue CAGR of 20% between FY14 and FY16, using FY14 as the base year. This is higher than our most recent target, which was 15% or greater revenue growth in just the Creative part of the Digital Media segment for the same period of time.

In our Digital Marketing segment, we are increasing our targeted annual revenue and bookings growth rates for Adobe Marketing Cloud. Between FY14 and FY16, we now believe we can achieve a 25% revenue CAGR, driven by annual bookings growth of 30%. These targets replace our prior goals of at least 20% growth for revenue and 25% growth for bookings respectively. Our confidence in increasing these targets is based on our strong execution, our increased investments in the business and the large addressable markets we are focused on with our Adobe Marketing Cloud solutions.

These increased growth rates in Digital Media and Digital Marketing are enabling us to target total Adobe revenue growth of 20% on a CAGR-basis between FY14 and FY16, with FY14 as the base year.

To drive this substantial growth, we will continue to invest in the business. During the transition, while reported revenue has declined, it has been more than offset by growth in ARR. We believe ARR will continue to grow, and reported revenue will increase sequentially beginning in the second half of FY14. Margin and earnings growth will follow, consistent with the leverage in our operating model. Based on this, we expect non-GAAP earnings per share of approximately $2 in FY15, and at least $3 in FY16.



Now I'd like to discuss fiscal year 2014 in more detail.

Within our Digital Media segment, our Digital Publishing Suite revenue and bookings grew substantially in FY13, with exiting ARR of $33 million. We expect ARR in this business to double next year, and we will include DPS ARR as part of our Creative ARR starting in FY14.

Given the transition to subscription with Creative Cloud has gone more quickly than anticipated, we expect more ARR and less perpetual revenue in FY14 than we last forecast. We now expect FY14 will be the last year of any meaningful Creative perpetual revenue, and Creative reported revenue will decline year-over-year as we grow Creative ARR to $1.6 billion. Our Creative ARR target is based on growing Creative Cloud subscriptions to 3 million by year end, and includes DPS. We also expect to overachieve the 4 million subscription target we had originally set for the end of FY15.

We expect Document Services ARR to continue to grow in FY14, driven by Acrobat ETLA adoption and growth in our Cloud-based services including EchoSign. Factoring the move to a more ratable model, we expect reported Document Services revenue to be relatively flat in FY14 – with Document Services ARR growing to more than $250 million by fiscal year end.

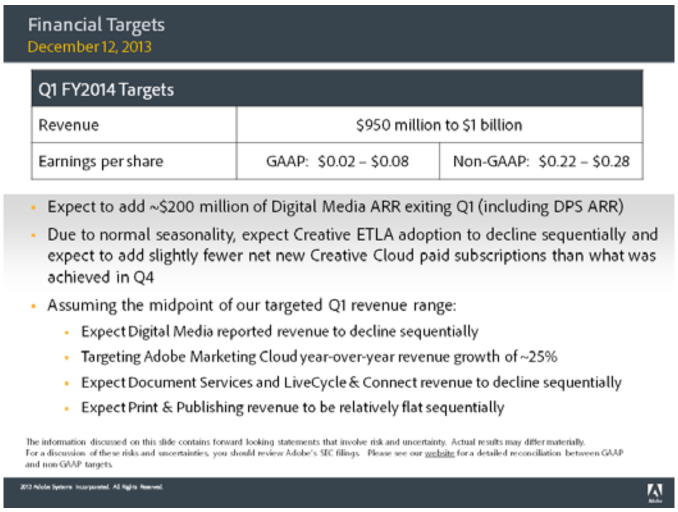
Combining Creative ARR with Document Services ARR, we expect to exit FY14 with total Digital Media ARR of $1.85 billion. We expect total Digital Media reported revenue of approximately $2.5 billion in FY14, and believe it will then grow substantially on an annual basis beginning in FY15.

In our Digital Marketing segment, we expect reported Adobe Marketing Cloud annual revenue growth of 20% in FY14, driven by bookings growth of 30% during the year. In FY14, we will be transitioning more perpetual revenue associated with our Adobe Campaign and Adobe Experience Manager solutions to a subscription model – consistent with the rest of our Marketing Cloud offerings. In FY13, the substantial majority of revenue for these two solutions was recognized upfront on a perpetual basis. If we were to maintain the FY13 mix of perpetual versus subscription revenue for these two solutions in FY14, our Adobe Marketing Cloud annual revenue growth target for FY14 would have been more than 25%.

Finally, as I mentioned earlier we expect total LiveCycle revenue to decline in FY14. As a result, we expect LiveCycle and Connect revenue to decline by approximately 25% year-over-year. We expect revenue in our Print and Publishing segment to be flat year-over-year.

Based on these targets and projections, we expect total Adobe revenue to be relatively flat year-over-year in fiscal 2014. We expect FY14 GAAP earnings per share to be approximately $0.27, and non-GAAP earnings per share to be approximately $1.10. Given our top line revenue CAGR of 20%

between FY14 and FY16, we expect to grow non-GAAP earnings from this FY14 target to approximately $2 in FY15, and to at least $3 in FY16.



In Q1 of FY14, we are targeting a revenue range of $950 million to $1 billion dollars.

During the quarter, we expect to add approximately $200 million of Digital Media ARR. Given normal seasonality, we believe enterprise ETLAs will decline sequentially, and that we will add slightly fewer net new Creative Cloud subscriptions than what was achieved in Q4.

Assuming the midpoint of our Q1 revenue range: we are targeting total Digital Media revenue to decline sequentially in both Creative and Document Services; we also expect LiveCycle and Connect revenue to decline sequentially; we expect Print and Publishing revenue to be relatively flat; and we are targeting Adobe Marketing Cloud year-over-year revenue growth of approximately 25%.

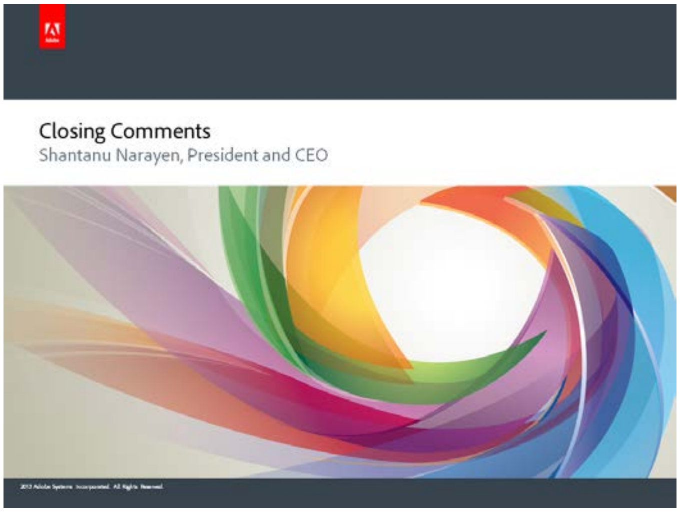
We are targeting our Q1 share count to be 511 million to 513 million shares. We are targeting net non-operating expense to be between $18 million and $20 million on both a GAAP and non-GAAP basis. We are targeting a Q1 tax rate of 26% on a GAAP and 21% on a non-GAAP basis.

These targets yield a Q1 GAAP earnings per share range of 2 cents to 8 cents per share, and a Q1 non-GAAP earnings per share range of 22 cents to 28 cents.

We feel great about our progress against the strategy we laid out two years ago. Our commitment and investments in that strategy are setting us up to be the clear leader in two large opportunities that represent significant growth potential.

I'll now turn the call back over to Shantanu.

SHANTANU NARAYEN



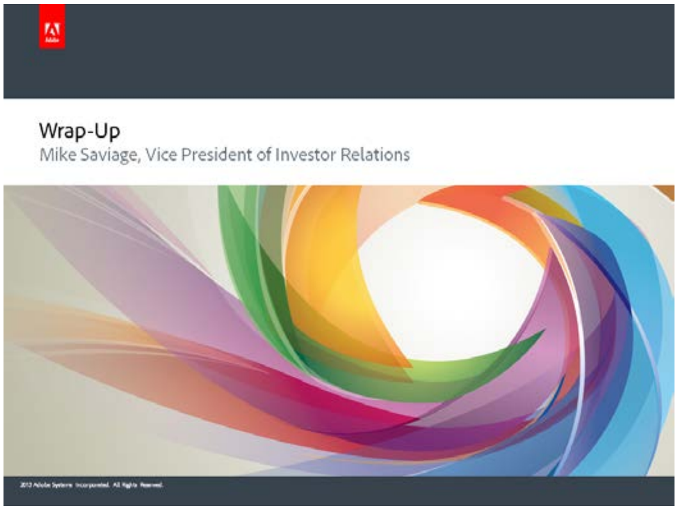
Thanks Mark.

FY14 is going to be an exciting year. Through continuous innovation, we will build on our market-leading position in the explosive areas of Digital Media and Digital Marketing. Creative Cloud has become the preeminent creative offering and we expect to exit 2014 with 3 million subscriptions and $1.85 billion in Digital Media ARR. Adobe Marketing Cloud crossed the billion dollar threshold in 2013. With the most comprehensive offering in the Digital Marketing space and tremendous customer momentum, we expect to grow our Adobe Marketing Cloud bookings 30% in FY14.

At the heart of this successful reinvention are our employees. Their continued innovation, passion and dedication make all these accomplishments possible.

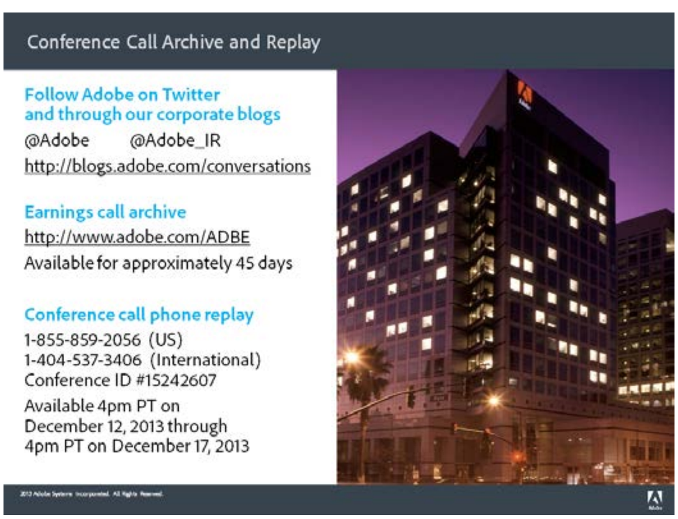
Thank you for joining us today. Now, I'll turn the call back over to Mike.

MIKE SAVIAGE



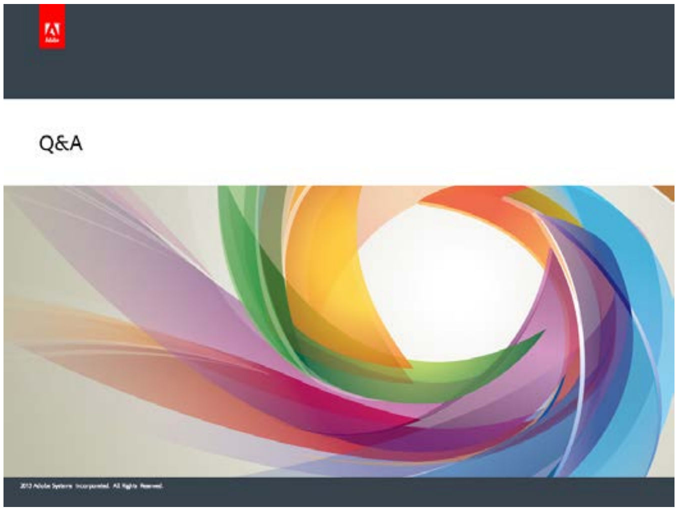
Thanks Shantanu.

We recently sent out an invitation for Adobe Summit, our annual digital marketing conference in Salt Lake City. This year the conference will be held during the week of March 24th, with the opening keynote on Tuesday March 25th. As in past years, we're offering discounted pricing for professional financial analysts and investors to attend. We will also host a short financial analyst meeting with presentations by Adobe management and a Q&A session at the event on Tuesday afternoon which will conclude by 5pm local time.



We remind everyone that Adobe increasingly utilizes blogs and social channels as a primary means to disclose important information. Investors and analysts who want to stay current on the latest Adobe news are encouraged to follow Adobe on Twitter, Facebook and YouTube, and to frequently check Adobe's corporate blogs on blogs.adobe.com. In addition, tv.adobe.com is a great resource to learn more about Adobe's products and solutions, and find new customer case studies. Our Investor Relations website provides easy access to these resources.

For those who wish to listen to a playback of today's conference call, a web-based Adobe Connect archive of the call will be available on our IR site later today. Alternatively, you can listen to a phone replay by calling 855-859-2056; use conference ID #15242607. Again, the number is 855-859-2056 with ID #15242607. International callers should dial 404-537-3406. The phone playback service will be available beginning at 4pm Pacific Time today, and ending at 4pm Pacific Time on Tuesday December 17th, 2013.



We would now be happy to take your questions. Operator.