



**Adobe Systems Incorporated  
345 Park Avenue  
San Jose, Californie 95110-2704, U.S.A.**

**Plan d'Achat d'Actions 1997 Réservé aux Salariés d'Adobe Systems Incorporated, tel que modifié  
(le « Plan d'Achat d'Actions »)**

**Prospectus destiné aux salariés de certaines filiales de l'Espace Economique Européen  
(l'« EEE ») d'Adobe Systems Incorporated sous réserve de la législation nationale en vigueur dans  
chaque Etat**

**RESUME DU PROSPECTUS**

**TRADUCTION EN FRANCAIS DU RESUME DU PROSPECTUS  
VISE PAR L'AUTORITE DES MARCHES FINANCIERS LE 21 MAI 2015 SOUS LE N° 15-211**



**En application des articles L. 412-1 et L. 621-8 du Code monétaire et financier et de son règlement général, notamment des articles 211-1 à 216-1, l'Autorité des marchés financiers (l'« AMF ») a apposé le visa n° 15-211 en date du 21 mai 2015 sur le présent prospectus. Ce prospectus a été établi par l'émetteur et engage la responsabilité de ses signataires. Le visa, conformément aux dispositions de l'article L. 621-8-1 I du Code monétaire et financier, a été attribué après que l'AMF ait vérifié si le document était complet et compréhensible, et si les informations qu'il contenait étaient cohérentes. Il n'implique ni approbation de l'opportunité de l'opération ni authentification des éléments comptables et financiers présentés.**

Ce prospectus sera mis à la disposition des salariés des filiales d'Adobe Systems Incorporated, sous forme imprimée, aux sièges sociaux respectifs des filiales, dans les pays de l'EEE dans lesquels l'offre dans le cadre du Plan d'Achat d'Actions est considérée comme étant une offre au public, sous réserve de la législation en vigueur dans chaque Etat. En outre, le prospectus ainsi que, le cas échéant, les traductions de son résumé seront mis à leur disposition sur l'intranet d'Adobe Systems Incorporated et des exemplaires gratuits leur seront fournis sur simple demande en contactant le département de Ressources Humaines de leur employeur. Le présent prospectus et la traduction en français de son résumé seront également disponibles sur le site internet de l'AMF, [www.amf-france.org](http://www.amf-france.org).

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## PARTIE I — RESUME DU PROSPECTUS

## VISA AMF N° 15-211 EN DATE DU 21 MAI 2015

Les résumés sont constitués d'informations requises désignées ci-après « Eléments ». Ces Eléments sont numérotés dans les Sections A - E (A.1 - E.7).

Ce résumé contient tous les Eléments dont l'inclusion est requise dans un résumé pour ce type de valeurs mobilières et d'Emetteur. Tous les Eléments ne devant pas être renseignés, la numérotation des Eléments dans le présent résumé peut ne pas être continue.

Même si un Elément peut être requis dans le résumé en raison du type de valeurs mobilières et d'Emetteur, il est possible qu'aucune information pertinente ne puisse être donnée quant à l'Elément. Dans ce cas, une courte description de l'Elément est incluse dans le résumé avec la mention « Sans objet ».

## SECTION A — INTRODUCTION ET AVERTISSEMENTS

<b>A.1</b>	<b>Avertissement au lecteur</b>	Le présent résumé doit être lu comme une introduction au prospectus. Toute décision d'investir dans les valeurs mobilières qui font l'objet de l'offre au public doit être fondée sur un examen exhaustif du prospectus. Lorsqu'une action concernant l'information contenue dans le prospectus est intentée devant un tribunal, l'investisseur plaignant peut, selon la législation nationale des États membres de l'Union européenne ou parties à l'accord sur l'EEE, avoir à supporter les frais de traduction du prospectus avant le début de la procédure judiciaire. Seules les personnes qui ont présenté le résumé, y compris le cas échéant sa traduction, et qui en demandent sa notification, engagent leur responsabilité civile, mais uniquement si le contenu du résumé est trompeur, inexact ou contradictoire par rapport aux autres parties du prospectus, ou s'il ne fournit pas, lu en combinaison avec les autres parties du prospectus, les informations essentielles permettant d'aider les investisseurs lorsqu'ils envisagent d'investir dans ces valeurs mobilières.
<b>A.2</b>	<b>Consentement à l'utilisation du prospectus</b>	Sans objet. Il n'y a pas de revente ultérieure de valeurs mobilières ou de placement final par des intermédiaires financiers.

## SECTION B — EMETTEUR

<b>B.1</b>	<b>Raison sociale et nom commercial de l'émetteur</b>	Adobe Systems Incorporated (« Adobe » ou la « Société »).
<b>B.2</b>	<b>Siège social et forme juridique d'Adobe, législation</b>	Adobe a son siège social au 345 Park Avenue, San Jose, Californie 95110, U.S.A. La Société est une société anonyme relevant du droit de l'Etat du Delaware, U.S.A.

	applicable et pays d'origine	
B.3	<b>Description de la nature des opérations actuelles d'Adobe et de ses principales activités</b>	<p>Fondée en 1982, Adobe est l'une des sociétés d'édition de logiciels les plus importantes et les plus diversifiées au monde. Adobe propose une gamme de produits et de services utilisée par les professionnels de la création, les commerciaux, les travailleurs du savoir, les développeurs d'application, les entreprises et les consommateurs finaux et destinée à la création, la gestion, la fourniture, la mesure, l'optimisation et la mise en œuvre de contenus et a développé l'expérience de multiples systèmes d'exploitation, matériels et médias. Adobe commercialise et concède des licences sur ses produits et services directement aux entreprises consommatrices via ses vendeurs et aux utilisateurs finaux par le biais de ses magasins d'applications et de son propre site Internet <a href="http://www.adobe.com">www.adobe.com</a>. Adobe offre plusieurs de ses produits via un modèle de Logiciel en tant que Service ou un modèle de services gérés (tous deux connus sous le nom de modèle d'hébergement ou modèle « cloud-based »), ainsi que par le biais de souscription à durée déterminée ou de modèles de paiement à l'utilisation. Adobe distribue également certains de ses produits et services à travers un réseau de distributeurs, de revendeurs à valeur ajoutée, d'intégrateurs de systèmes, de vendeurs de logiciels indépendants, de détaillants et des fabricants de matériel informatique d'origine (« FMIOs »). En outre, Adobe concède des licences sur sa technologie à des fabricants de matériel informatique, des développeurs de logiciels et des prestataires de services, pour l'utilisation de ses produits et solutions. Les produits d'Adobe fonctionnent sur des ordinateurs personnels et des serveurs sur ordinateurs, ainsi que sur des téléphones intelligents (<i>smartphones</i>), tablettes ou autres dispositifs, en fonction du produit. Adobe exerce ses activités aux Amériques, en Europe, au Moyen Orient et en Afrique et en Asie-Pacifique.</p> <p>Les secteurs d'Adobe sont les suivants :</p> <ul style="list-style-type: none"> <li>• <i>Média Numérique</i>—Son secteur Média Numérique fournit des outils et des solutions permettant aux personnes, petites et moyennes entreprises et entreprises de créer, publier, promouvoir et monétiser leurs contenus numériques n'importe où. Ses clients comprennent des créateurs de contenu traditionnels, des développeurs d'application web et des professionnels du média numérique, ainsi que leur direction générale dans les départements et agences de commercialisation, entreprises et éditeurs. Ses clients comprennent également des professionnels du savoir qui créent, collaborent et distribuent les documents.</li> <li>• <i>Commercialisation Numérique</i>—Son secteur Commercialisation Numérique fournit des solutions et services relatifs à la création, gestion, exécution, mesure et optimisation de la publicité et commercialisation numériques. Ses clients comprennent des commerçants numériques, annonceurs, éditeurs, commerçants, analystes web, directeurs marketing, directeurs de l'information et directeurs des ventes.</li> <li>• <i>Impression et Edition</i>—Son secteur Impression et Edition cible des opportunités de marché allant des besoins divers de création et d'édition de l'édition technique et commerciale aux entreprises</li> </ul>

		<p>traditionnelles et d'impression FMIO.</p> <p>Le tableau ci-dessous présente les résultats des secteurs d'Adobe pour les exercices fiscaux clos en 2014, 2013 et 2012 (en milliers de dollars) :</p> <table><tr><th></th><th>Média Numérique</th><th>Commercialisation Numérique</th><th>Impression et Edition</th><th>Total</th></tr><tr><td><b>Exercice 2014</b></td><td></td><td></td><td></td><td></td></tr><tr><td>Chiffre d'affaires</td><td>\$ 2 603 179</td><td>\$ 1 355 216</td><td>\$ 188 670</td><td>\$ 4 147 065</td></tr><tr><td><b>Exercice 2013</b></td><td></td><td></td><td></td><td></td></tr><tr><td>Chiffre d'affaires</td><td>\$ 2 625 913</td><td>\$ 1 228 868</td><td>\$ 200 459</td><td>\$ 4 055 240</td></tr><tr><td><b>Exercice 2012</b></td><td></td><td></td><td></td><td></td></tr><tr><td>Chiffre d'affaires</td><td>\$ 3 101 864</td><td>\$ 1 085 042</td><td>\$ 216 771</td><td>\$ 4 403 677</td></tr></table>		Média Numérique	Commercialisation Numérique	Impression et Edition	Total	<b>Exercice 2014</b>					Chiffre d'affaires	\$ 2 603 179	\$ 1 355 216	\$ 188 670	\$ 4 147 065	<b>Exercice 2013</b>					Chiffre d'affaires	\$ 2 625 913	\$ 1 228 868	\$ 200 459	\$ 4 055 240	<b>Exercice 2012</b>					Chiffre d'affaires	\$ 3 101 864	\$ 1 085 042	\$ 216 771	\$ 4 403 677
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B.4a	Tendances récentes	<p>Le 17 mars 2015, Adobe a annoncé ses résultats financiers du premier trimestre de l'exercice 2015 clos le 27 février 2015. Au cours du premier trimestre de l'exercice 2015, Adobe a réalisé un chiffre d'affaires de 1,11 milliard d'US Dollars, supérieur au haut de la fourchette de prévisions allant de 1,05 milliard d'US Dollars à 1,10 milliard d'US Dollars. Le bénéfice par action après dilution d'Adobe, conformément aux principes comptables généralement admis aux Etats-Unis d'Amérique (« US GAAP ») s'élevait à 0,17 d'US Dollar et le flux de trésorerie provenant des activités d'exploitation d'Adobe s'élevait à 183 millions d'US Dollars.</p> <p>Le 27 janvier 2015, Adobe a finalisé l'acquisition de la société privée Fotolia, première place de marché pour les photos libres de droits, images, graphiques et vidéos Haute Définition pour environ 800 millions d'US Dollars en numéraire. Adobe a financé l'acquisition en utilisant sa trésorerie, ses disponibilités et ses soldes de placements à court terme existants et de nouvelles émissions de dettes. Au cours du premier trimestre de l'exercice 2015, Adobe a commencé à intégrer Fotolia dans son secteur d'activité Média Numérique.</p>																																			
B.5	Description du groupe	<p>Adobe est la société mère du groupe Adobe. Adobe détient, directement ou indirectement, 100 % du capital et des droits de vote de chacune de ses filiales. Au 5 janvier 2015, Adobe avait 13 filiales dans les Amériques, 25 filiales en Europe, une (1) filiale en Afrique, 11 filiales en Asie et une (1) filiale au Moyen-Orient.</p>																																			
B.6	Participation au capital ou au droit de vote d'Adobe	<p>Sans objet. Conformément à son Q&amp;A<sup>1</sup>, l'Autorité européenne des marchés financiers (« ESMA », <i>European Securities and Markets Authority</i>) considère que la Rubrique 18 de l'Annexe I du Règlement de la Commission (CE) No 809/2004 du 29 avril 2004 tel que modifié par les Règlements délégués (UE) de la Commission No 486/2012 du 30 mars 2012, No 862/2012 du 4 juin 2012 et No 759/2013 du 30 avril 2013 (tel que modifié, le « Règlement Prospectus ») n'est généralement pas pertinente dans le cadre d'offres d'actions aux salariés et peut ainsi être omise du prospectus conformément à l'Article 23.4 du Règlement Prospectus.</p>																																			

<sup>1</sup> Questions Fréquemment Posées, Prospectus : Positions communes des Membres de l'ESMA 22ème version mise à jour – Octobre 2014 (21 octobre 2014 | ESMA/2014/1279).

<b>B.7</b>	<b>Informations financières concernant Adobe pour les trois exercices clos les 28 novembre 2014, 29 novembre 2013 et 30 novembre 2012, et pour les trimestres clos les 27 février 2015 et 28 février 2014</b>
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Les données financières sélectionnées d'Adobe reprises dans le présent prospectus sont extraites des états financiers consolidés d'Adobe établis conformément aux US GAAP.

**DONNEES EXTRAITES DES ETATS FINANCIERS DES TROIS DERNIERS EXERCICES CLOS**  
**(En milliers de Dollars US, sauf pour les montants par action et les données relatives aux salariés)**

	Exercices clos en		
	2014	2013	2012
Exploitation:			
Chiffre d'affaires	\$ 4 147 065	\$ 4 055 240	\$ 4 403 677
Marge brute	\$ 3 524 985	\$ 3 468 683	\$ 3 919 895
Résultat avant impôt	\$ 361 376	\$ 356 141	\$ 1 118 794
Résultat net	\$ 268 395	\$ 289 985	\$ 832 775
Résultat net par action :			
Avant dilution	\$ 0,54	\$ 0,58	\$ 1,68
Après dilution	\$ 0,53	\$ 0,56	\$ 1,66
Nombre d'actions utilisés pour le calcul du résultat net par action avant dilution	497 867	501 372	494 731
Nombre d'actions utilisés pour le calcul du résultat net par action après dilution	508 480	513 476	502 721
Dividendes déclarés par action ordinaire	\$ —	\$ —	\$ —
Situation financière :			
Disponibilités et placements à court terme	\$ 3 739 491	\$ 3 173 752	\$ 3 538 353
Fonds de roulement	\$ 2 107 893	\$ 2 520 281	\$ 3 125 314
Total actifs	\$ 10 785 829	\$ 10 380 298	\$ 10 040 229
Dette et obligations locatives à long terme	\$ 911 086	\$ 1 499 297	\$ 1 496 938
Capitaux propres	\$ 6 775 905	\$ 6 724 634	\$ 6 665 182
Autres données:			
Total des salariés	12 499	11 847	11 144

(1) Les informations relatives à la situation financière d'Adobe sont en date du vendredi le plus proche du 30 novembre pour les trois exercices fiscaux jusqu'en 2014.

**DONNEES TRIMESTRIELLES SELECTIONNEES**  
**(En milliers de Dollars US, sauf pour les montants par action – Non-audité)**

	Trimestres clos le	
	27 février 2015	28 février 2014
<b>Extrait du compte de résultat consolidé et condensé</b>		
Chiffre d'affaires	\$ 1 109 181	\$ 1 000 120
Marge brute	\$ 942 383	\$ 851 611
Résultat avant impôt	\$ 163 248	\$ 64 892
Résultat net	\$ 84 888	\$ 47 046
Résultat net par action avant dilution	\$ 0,17	\$ 0,09
Résultat net par action après dilution	\$ 0,17	\$ 0,09

		27 février 2015	28 novembre 2014*
<b>Extrait du bilan consolidé et condensé</b>			
Disponibilités et placements à court terme		\$ 3 176 820	\$ 3 739 491
Total actifs		\$ 11 008 422	\$ 10 785 829
Dette et obligations locatives		\$ 1 901 618	\$ 1 514 315
Total passif		\$ 4 419 402	\$ 4 009 924
Total capitaux propres		\$ 6 589 020	\$ 6 775 905
* Extrait du bilan consolidé audité.			
<b>B.8</b>	<b>Informations financières pro forma</b>	Sans objet. Conformément à son Q&A, ESMA considère que la Rubrique 20.2 de l'Annexe I du Règlement Prospectus n'est généralement pas pertinente dans le cadre d'offres d'actions aux salariés et peut ainsi être omise du prospectus conformément à l'Article 23.4 du Règlement Prospectus.	
<b>B.9</b>	<b>Prévision ou estimation du bénéfice</b>	Sans objet. Le présent prospectus ne contient pas de prévision ou estimation du bénéfice.	
<b>B.10</b>	<b>Réserves dans le rapport d'audit concernant les informations financières historiques</b>	Sans objet. Il n'y a pas de réserve dans le rapport d'audit.	
<b>B.11</b>	<b>Déclaration sur le fonds de roulement</b>	Sans objet. Le fonds de roulement d'Adobe est suffisant au regard de ses obligations actuelles.	

## SECTION C — VALEURS MOBILIERES

<b>C.1</b>	<b>Nature et catégorie des valeurs mobilières offertes, y compris le numéro d'identification</b>	Les actions ordinaires d'Adobe d'une valeur nominale de 0,0001 US Dollar par action (les « Actions ») offertes dans le cadre du présent prospectus peuvent être des actions d'autocontrôle ou des Actions nouvellement émises, à l'entière discrétion d'Adobe.  Les Actions sont ou seront, après leur émission, cotées sur le Nasdaq Global Select Market (« NASDAQ ») sous le code mnémorique « ADBE ». Le numéro CUSIP des Actions est 00724F101.
<b>C.2</b>	<b>Monnaie des valeurs mobilières</b>	Les valeurs mobilières émises seront libellées en dollar américain.
<b>C.3</b>	<b>Nombre d'actions émises</b>	Au 27 février 2015, Adobe était autorisée à émettre 900 000 000 d'Actions et 2 000 000 d'actions de préférence, d'une valeur nominale de 0,0001 US Dollar. Au 20 mars 2015, il y avait 500 269 100 Actions en circulation et aucune action de préférence émise ou en circulation.

C.4	<b>Droits attachés aux valeurs mobilières</b>	<p>Aucun Salarié Participant (tel que défini dans l'Elément E.3 ci-dessous) n'aura de droit de vote, de droit aux dividendes, ou un autre droit d'actionnaire suite à une quelconque offre dans le cadre du Plan d'Achat d'Actions avant que les Actions n'aient été acquises au nom du Salarié Participant. Suite à l'acquisition, le Salarié Participant détiendra les droits attachés aux Actions décrits ci-dessous :</p> <p><b>Droits aux Dividendes.</b> Les Statuts d'Adobe, tels que reformulés ne contiennent pas des dispositions relatives au droit aux dividendes. Conformément à la Loi des Sociétés de l'Etat du Delaware, aux Etats-Unis (<i>General Corporation Law of the State of Delaware, USA</i>, le « DGCL ») et sous réserve des droits préférentiels applicables aux actions de préférence d'Adobe en circulation à ce moment, les détenteurs d'Actions en circulation ont le droit de recevoir des dividendes soit (1) issus du surplus, soit (2) issus des bénéfices nets de la Société pour l'année fiscale durant laquelle le dividende est déclaré et/ou l'année fiscale précédente tel que déterminé par le Conseil d'administration d'Adobe (le « Conseil »), dans le cas où il n'y a pas de surplus (veuillez consulter la Section 170 du DGCL).</p> <p><b>Droits de Vote.</b> Chaque détenteur d'Actions a le droit à un vote pour chaque Action sur toutes les propositions présentées aux votes des actionnaires d'Adobe.</p> <p><b>Droit de Recevoir des Sommes Issues de la Liquidation.</b> Dans l'éventualité d'une liquidation, dissolution ou distribution des actifs de la Société, les actifs légalement disponibles pour distribution aux actionnaires seront distribués proportionnellement aux détenteurs des Actions en circulation à ce moment, après désintéressement des droits préférentiels des actions de préférence en circulation.</p> <p><b>Absence de Droit Préférentiel de Souscription, de Remboursement ou de Conversion.</b> Les Actions ne donnent pas de droit préférentiel de souscription et ne sont pas sujettes à conversion ou remboursement.</p>
C.5	<b>Restrictions liées au transfert</b>	<p>Sans objet. Les Actions dans le cadre de cette offre sont enregistrées dans un Formulaire S-8 déposé auprès de la <i>U.S. Securities and Exchange Commission</i> (la « SEC ») et sont généralement transférables librement.</p>
C.6	<b>Admission à la négociation sur un marché réglementé</b>	<p>Sans objet. Tel que mentionné dans l'Elément C.1 ci-dessus, les Actions sont cotées sur le NASDAQ.</p>
C.7	<b>Politique de dividendes</b>	<p>Adobe n'a pas déclaré ou payé de dividende en numéraire sur ses Actions au cours des exercices fiscaux 2014, 2013 ou 2012. Selon les termes et conditions de ses conventions de crédit et baux commerciaux, Adobe n'est soumise à aucune interdiction de payer des dividendes en numéraire, sauf les cas où un tel paiement déclencherait une défaillance ou si Adobe est défaillante. Adobe ne prévoit pas de payer des dividendes en numéraire dans un futur proche.</p>



SECTION D — RISQUES		
D.1	<b>Principaux risques propres à Adobe ou à son secteur d'activité</b>	<p>Ci-dessous sont résumés les principaux risques, incertitudes et autres facteurs pouvant affecter les résultats futurs d'Adobe. Les risques et incertitudes décrits ci-dessous ne sont pas les seuls risques et incertitudes auxquels Adobe fait face.</p> <ul style="list-style-type: none"> <li>• Si Adobe ne parvient plus à développer, commercialiser et offrir de nouveaux produits et services, ou améliorations des produits et services existants satisfaisant les souhaits du client, son résultat d'exploitation pourrait en pâtir.</li> <li>• L'introduction de nouveaux produits, services et modèles d'activités (<i>business models</i>) par des concurrents existants ou nouveaux pourrait nuire à la situation concurrentielle et au résultat d'exploitation d'Adobe.</li> <li>• Si Adobe ne parvient pas à gérer avec succès les transitions vers de nouveaux modèles d'activités (<i>business models</i>) et marchés, son résultat d'exploitation pourrait en pâtir.</li> <li>• Des vulnérabilités en matière de sécurité relatives aux produits et services d'Adobe pourraient mener à une baisse du chiffre d'affaires ou des recours en responsabilité.</li> <li>• Les incertitudes concernant les conditions économiques actuelles et futures et tout changement défavorable des conditions économiques ou politiques dans l'un des pays principaux où Adobe mène ses activités pourrait léser son résultat d'exploitation.</li> <li>• Adobe pourrait ne pas réaliser les avantages prévus découlant des acquisitions antérieures ou futures et l'intégration de ces acquisitions pourrait perturber ses activités et sa gestion.</li> <li>• L'attention croissante de la réglementation portée aux questions de vie privée et le développement des lois et réglementations pourraient avoir un impact sur le nouveau modèle des activités (<i>business model</i>) d'Adobe et l'exposer à une responsabilité accrue.</li> <li>• L'incapacité de gérer efficacement les réseaux de vente et de distribution d'Adobe et le service client tiers et les fournisseurs en assistance technique pourrait conduire à une baisse du chiffre d'affaires et pourrait nuire aux activités d'Adobe. Adobe a des contrats avec de nombreux distributeurs de logiciels, aucun pris individuellement ne représente une part significative du chiffre d'affaires total d'Adobe pour les périodes récentes.</li> <li>• Adobe est sujet aux risques liés à la conformité avec les lois et réglementations internationales qui pourraient nuire à son activité.</li> <li>• Adobe a effectué une émission obligataire pour un montant de 1,9 milliards d'US Dollars et pourrait contracter d'autres dettes dans le futur, ce qui pourrait nuire à sa situation financière et ses résultats financiers futurs.</li> </ul>

<b>D.3</b>	<b>Principaux risques propres aux actions</b>	Les Salariés Participants (tels que définis dans l'Elément E.3) assument le risque lié aux fluctuations de devises à partir du moment de leur contribution dans le cadre du Plan d'Achat d'Actions par le biais de prélèvements sur salaires et jusqu'au moment de la vente de leurs Actions acquises dans le cadre du Plan d'Achat d'Actions.
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## SECTION E — OFFRE

<b>E.1</b>	<b>Produit net</b>	En supposant que les 1 564 salariés éligibles en France, Allemagne, Roumanie et Royaume-Uni acquièrent le nombre maximum d'Actions dans le cadre du Plan d'Achat d'Actions offert au titre du présent prospectus, c'est-à-dire un total de 42 438 US Dollars chacun, le produit brut d'Adobe résultant de l'offre dans le cadre du Plan d'Achat d'Actions au titre du présent prospectus serait d'environ 66 373 032. US Dollars. Le calcul du produit brut est basé sur un Prix d'Achat (tel que défini dans l'Elément E.3 ci-dessous) hypothétique de 64,30 US Dollars (85 % de 75,65 US Dollars, le prix de clôture le 7 avril 2015) et le postulat que le prix d'une Action le 1er juillet 2015 et le 31 décembre 2015, respectivement, sera inférieur au prix d'une Action le 31 décembre 2015 et le 30 juin 2016, respectivement. Après déduction des frais juridiques et comptables liés à l'offre, le produit net serait d'environ 66 283 032 US Dollars.
<b>E.2a</b>	<b>Raisons de l'offre et utilisation du produit</b>	Le but du Plan d'Achat d'Actions est d'offrir aux salariés éligibles du groupe de sociétés participantes l'opportunité d'acquérir une participation dans la Société par le biais de l'achat d'Actions.  Le produit net sera utilisé pour les besoins généraux de la Société.
<b>E.3</b>	<b>Description des termes et conditions de l'offre</b>	Adobe a décidé d'offrir aux salariés éligibles d'Adobe et de ses filiales le droit d'acquérir des Actions au titre du Plan d'Achat d'Actions.  L'offre du Plan d'Achat d'Actions peut être considérée comme une offre au public de valeurs mobilières au regard de la Directive 2003/71/CE du Parlement Européen et du Conseil du 4 novembre 2003, telle que modifiée par la Directive 2010/73/UE et la Directive 2014/51/UE (la « Directive Prospectus ») dans les pays suivants de l'EEE, sous réserve de la législation en vigueur dans chacun de ces pays : France, Allemagne, Roumanie et Royaume-Uni. L'offre du Plan d'Achat d'Actions sera également présentée dans les pays suivants de l'EEE : Autriche, Belgique, République Tchèque, Danemark, Finlande, Irlande, Italie, Pays-Bas, Norvège, Pologne, Portugal, Espagne et Suède (les « Pays Additionnels »). Toutefois, cette offre n'est pas considérée comme une offre au public de valeurs mobilières et/ou l'obligation de publication d'un prospectus ne s'applique pas à l'offre conformément à la législation transposant la Directive Prospectus dans les Pays Additionnels. Le montant total de l'offre du Plan d'Achat d'Actions dans l'EEE est supérieur à 5 millions d'euros sur une période de 12 mois. <sup>2</sup>

<sup>2</sup> Conformément au présent prospectus, le Plan d'Achat d'Actions est offert aux 1 564 salariés éligibles en France, en Allemagne, en Roumanie et au Royaume-Uni, où une telle offre est considérée comme une offre au public dans le cadre de la Directive Prospectus. En outre, le Plan d'Achat d'Actions sera offert à environ 319 salariés éligibles dans les Pays Additionnels

		<p>Le présent prospectus sera mis à disposition des salariés des filiales d'Adobe basées dans les pays précités, dans lesquels l'offre du Plan d'Achat d'Actions peut être considérée comme une offre au public de valeurs mobilières, dans les locaux du siège social respectif de leur employeur.</p> <p>Le Plan d'Achat d'Actions est administré par le Conseil ou par un comité désigné par le Conseil (le « Comité »). Les salariés éligibles se voient proposer la participation au Plan d'Achat d'Actions et peuvent décider de participer au Plan d'Achat d'Actions (les « Salariés Participants »). Le Plan d'Achat d'Actions est composé de périodes d'offre d'une durée approximative de 24 mois (les « Périodes d'Offre ») comportant chacune quatre périodes d'achat successives de six mois (les « Périodes d'Achat »). Le premier jour de chaque Période d'Offre est appelé la « Date d'Offre ». Les Périodes d'Achat débutent le ou aux alentours du 1<sup>er</sup> janvier et du 1<sup>er</sup> juillet de chaque année et se terminent le ou aux alentours du 30 juin et du 31 décembre. Une fois inscrits, les Salariés Participants peuvent acquérir des Actions avec une décote le dernier jour de bourse de chaque Période d'Achat (la « Date d'Achat »).</p> <p>Pendant chaque Période d'Achat de six mois, les Salariés Participants peuvent choisir de contribuer au Plan d'Achat d'Actions par le biais de prélèvements sur salaire entre 1 % et 25 % de leur rémunération éligible (c'est-à-dire que l'employeur déduit automatiquement ce montant de la rémunération des Salariés Participants à chaque date de paie). Les prélèvements sur salaire cumulés sont utilisés pour l'achat d'Actions à la fin de chaque Période d'Achat. Le prix d'achat par Action est égal à 85 % du plus faible des deux montants suivants (1) la Juste Valeur de Marché<sup>3</sup> d'une Action au premier jour ouvrable des 24 mois de la Période d'Offre et (2) la Juste Valeur de Marché d'une Action pour chaque date d'achat au cours des 24 mois de la Période d'Offre (le « Prix d'Achat »).</p> <p>Le Prix d'Achat dépend de la date à laquelle le Salarié Participant participe au Plan d'Achat d'Actions. Si un salarié s'inscrit au Plan d'Achat d'Actions durant le mois de juin 2015 pour une participation à la Période d'Achat du 1<sup>er</sup> juillet 2015, le Prix d'Achat sera égal à 85 % du plus faible des deux montants suivants (1) la Juste Valeur de Marché d'une Action au 31 décembre 2015 (Date d'Achat) ou (2) la Juste Valeur de Marché d'une Action au 1<sup>er</sup> juillet 2015 (la Date de l'Offre pour la Période d'Offre de ce Salarié Participant). Toutefois, à titre d'exemple, pour un salarié qui s'est inscrit à la Période d'Offre du 1<sup>er</sup> juillet 2014, le Prix d'Achat sera égal à 85 % du plus faible des deux montants suivants, le prix au 31 décembre 2015 (Date d'Achat) ou le prix au 1<sup>er</sup> juillet 2014 (le premier jour de la Période d'Offre pour ce Salarié Participant).</p> <p>En outre, si la Juste Valeur de Marché d'une Action à une nouvelle Date d'Achat est inférieure à la Juste Valeur de Marché d'une Action à la précédente Date d'Offre, le Salarié Participant cessera, de manière automatique, toute participation pour la Période d'Offre en cours et sera réinscrit de manière automatique pour la nouvelle Période d'Offre. Dans le cas d'une telle réinscription, le Salarié Participant reconnaît que la</p>
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où une telle offre n'est pas considérée comme une offre au public dans le cadre de la Directive Prospectus. Le montant total de l'offre du plan d'Achat d'Actions en France, en Allemagne, en Roumanie et au Royaume-Uni ainsi que dans les Pays Additionnels est supérieur à 5 millions € sur une période de 12 mois.

3

La Juste Valeur de Marché est, à n'importe quelle date, le prix de clôture d'une Action telle que cotée sur NASDAQ, tel que publié dans The Wall Street Journal ou tout autre source jugée fiable par la Société.

		<p>Juste Valeur de Marché des Actions pourrait augmenter entre la nouvelle et la précédente Date d'Offre (dans le cas d'une augmentation de la Juste Valeur de Marché des Actions entre la Date d'Achat et la Date d'Offre le lendemain de bourse). Le Salarié Participant peut décider de ne plus participer au Plan d'Achat d'Actions, tel que décrit ci-dessous.</p> <p>Le Plan d'Achat d'Actions est proposé aux salariés éligibles d'Adobe et de ses filiales désignées (les « Sociétés Participantes »), dont certaines se trouvent dans l'EEE. Les salariés éligibles peuvent seulement acheter (i) des Actions ayant une Juste Valeur de Marché à la Date d'Offre applicable n'excédant pas 25 000 dollars américains par année civile et (ii) 5 000 Actions par Période d'Offre de 24 mois. En outre, les salariés éligibles peuvent seulement contribuer à hauteur de 25 % de leur rémunération éligible.</p> <p>Un salarié éligible peut devenir un Salarié Participant à une Période d'Offre en remplissant un contrat de souscription et tous les autres documents nécessaires (les « Documents de Participation ») fournis par Adobe et en les remettant au bureau désigné par Adobe au plus tard à l'heure de fermeture de ce bureau le jour ouvrable précédant la Date d'Offre de la Période d'Offre ou toute date antérieure telle que déterminée par la Société pour cette Période d'Offre (la « Date de Participation »), conformément aux règles fixées par le Conseil. Pour participer à la Période d'Achat commençant le 1<sup>er</sup> juillet 2015, les salariés éligibles doivent s'inscrire au plus tard le 30 juin. Les Documents de Participation indiqueront le montant de la rémunération du Salarié Participant consacré au Plan d'Achat d'Actions. Il n'est pas nécessaire que les Salariés Participants remplissent des Documents de Participation pour chaque Période d'Offre ; leur décision de participer restera en vigueur jusqu'à ce qu'ils décident de ne plus participer au Plan d'Achat d'Actions. Un Salarié Participant pourra modifier le pourcentage de déductions autorisées en remettant au bureau désigné d'Adobe un contrat de souscription modifié au plus tard à la date précédant le début de la première période de paie pour laquelle ce choix est en vigueur, telle que fixée par Adobe. En outre, un Salarié Participant peut décider de ne plus participer au Plan d'Achat d'Actions à condition que cette notification écrite de retrait soit faite à tout moment avant la fin d'une Période d'Offre.</p> <p>Les droits au titre du Plan d'Achat d'Actions ne peuvent être transférés d'aucune façon (autrement que par testament, succession et donation) par les Salariés Participants.</p> <p>Au 1<sup>er</sup> mai 2015, 12 185 364 Actions étaient disponibles pour l'émission dans le cadre du Plan d'Achat d'Actions au niveau mondial (sur un maximum de 93 millions d'Actions disponibles au titre du Plan d'Achat d'Actions).</p>
<b>E.4</b>	<b>Description des intérêts importants liés à l'offre, y compris les conflits d'intérêts</b>	Sans objet. Il n'existe pas de tels intérêts.
<b>E.5</b>	<b>Nom de l'entité offrant la vente des valeurs mobilières</b>	Adobe Systems Incorporated.

<b>E.6</b>	<b>Dilution maximum</b>	En supposant que les Actions offertes dans le cadre du présent prospectus aux 1 564 salariés éligibles en France, en Allemagne, en Roumanie et au Royaume-Uni sont toutes des Actions nouvellement émises, la détention d'un actionnaire d'Adobe détenant actuellement 1 % du capital total en circulation d'Adobe au 20 mars 2015 (à savoir, 5 002 691 Actions) et qui n'est pas un salarié éligible participant à l'offre, serait diluée de la façon suivante :		
			Pourcentage du total des Actions en circulation	Nombre total des Actions en circulation
		Avant l'émission (au 20 mars 2015)	1,00 %	500 269 100
		Après l'émission de 1 032 240 Actions dans le cadre du Plan d'Achat d'Actions	0,998 %	501 301 340
<b>E.7</b>	<b>Estimation des dépenses facturées à l'investisseur</b>	Sans objet. Il n'existe pas de telles dépenses.		



Adobe Systems Incorporated  
345 Park Avenue  
San Jose, California 95110-2704, U.S.A.

**The Adobe Systems Incorporated 1997 Employee Stock Purchase Plan, as amended (the "ESPP")**

**Prospectus for the employees of certain European Economic Area ("EEA") subsidiaries  
of Adobe Systems Incorporated, subject to the applicable legislation in each country**



Pursuant to articles L. 412-1 and L. 621-8 of the *Code Monétaire et Financier* and its General Regulation, in particular articles 211-1 to 216-1 thereof, the *Autorité des marchés financiers* ("AMF") has attached visa number 15-211 dated May 21, 2015, onto this prospectus. This prospectus was established by the issuer and incurs the responsibility of its signatories. The visa, pursuant to the provisions of Article L. 621-8-1-I of the *Code Monétaire et Financier*, was granted after the AMF verified that the document is complete and comprehensible, and that the information it contains is consistent. The visa represents neither the approval of the worthiness of the operation nor the authentication of the financial and accounting information presented.

This prospectus will be made available in printed form to employees of the EEA subsidiaries of Adobe Systems Incorporated based in countries in which the offering under the ESPP is considered a public offering at the respective head offices of their employers. In addition, this prospectus along with summary translations (as applicable) will be posted on Adobe Systems Incorporated's intranet and free copies will be available to the employees upon request by contacting the human resources departments of their employers. This prospectus and the French translation of its summary will also be available on the website of the AMF, [www.amf-france.org](http://www.amf-france.org).

## NOTE TO THE PROSPECTUS

This prospectus, which contains material information concerning Adobe Systems Incorporated, was established pursuant to articles 211-1 to 216-1 of the AMF General Regulation. Pursuant to Article 25 of Commission Regulation (EC) No 809/2004 of 29 April 2004 as amended by Commission Delegated Regulations (EU) No 486/2012 of 30 March 2012, No 862/2012 of 4 June 2012 and No 759/2013 of 30 April 2013 (as so amended, the “Prospectus Regulation”), this prospectus is composed of the following parts in the following order:

- (1) a table of contents,
- (2) the summary provided for in Article 5(2) of Directive 2003/71/EC of the European Parliament and of the European Council of 4 November 2003, as amended by Directive 2010/73/EU and Directive 2014/51/EU (the “Prospectus Directive”) (Part I constitutes the prospectus summary),
- (3) the risk factors linked to the issuer and the type of security covered by the issue, and
- (4) excerpts from Annexes I and III of the Prospectus Regulation which, by application of Articles 3, 4, and 6 of the Prospectus Regulation and question 71 of the European Securities and Markets Authority (“ESMA”) Q&A,<sup>1</sup> are required for this offering of equity securities to employees of Adobe Systems Incorporated and its affiliates.

This prospectus also contains supplemental information concerning the ESPP (Part II - Section B) as well as the following documents (Exhibits):

- The Adobe Systems Incorporated 1997 Employee Stock Purchase Plan, as amended; and
- Current Report on Form 8-K furnished by Adobe Systems Incorporated to the U.S. Securities and Exchange Commission (the “SEC”) on March 17, 2015.

When used in this prospectus, the terms “we,” “us” or “our” mean Adobe Systems Incorporated and its subsidiaries and affiliates.

All references to “\$” in this prospectus refer to U.S. dollars.

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<sup>1</sup> Frequently Asked Questions, Prospectuses: Common positions agreed by ESMA Members 22<sup>nd</sup> updated version – October 2014 (21 October 2014 | ESMA/2014/1279).

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**COMPANY REPRESENTATIVE FOR PROSPECTUS**

- 1.1 Mark Garrett, Executive Vice President and Chief Financial Officer, acting for and on behalf of Adobe Systems Incorporated.
- 1.2 To my knowledge, after having taken all reasonable measures for this purpose, the information contained in this prospectus fairly reflects the current situation and no material omission has been made.
- 1.3 Adobe Systems Incorporated has obtained a letter from its independent registered public accounting firm in relation to this prospectus. The independent registered public accounting firm has, in accordance with the professional standards and interpretations applicable to it under the standards of the Public Company Accounting Oversight Board (United States) pursuant to AU Section 550, *Other Information in Documents Containing Audited Financial Statements*, read the information pertaining to the financial condition and consolidated financial statements of Adobe Systems Incorporated contained in this prospectus and read the prospectus.

/s/ Mark Garrett

Mark Garrett

Executive Vice President and Chief Financial Officer  
of Adobe Systems Incorporated

San Jose, California, U.S.A., May 20, 2015

## PART I — PROSPECTUS SUMMARY

## VISA NUMBER 15-211 DATED MAY 21, 2015 OF THE AMF

Summaries are made up of disclosure requirements known as "Elements." These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable."

## SECTION A — INTRODUCTION AND WARNINGS

<b>A.1</b>	<b>Warning to the reader</b>	This summary should be read as an introduction to the prospectus. Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. Where a claim relating to the information contained in a prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States of the European Union or States party to the EEA Agreement, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who have presented the summary including any translation thereof, and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.
<b>A.2</b>	<b>Consent to use of the prospectus</b>	Not applicable. There is no subsequent resale or final placement of securities by financial intermediaries.

## SECTION B — ISSUER

<b>B.1</b>	<b>Legal and commercial name of the issuer</b>	Adobe Systems Incorporated ("Adobe" or the "Company").
<b>B.2</b>	<b>Domicile and legal form of Adobe, the legislation under which it operates and its country of incorporation</b>	Adobe's principal offices are located at 345 Park Avenue, San Jose, California 95110, U.S.A. The Company is a corporation incorporated under the laws of the State of Delaware, U.S.A.

B.3	Description of the nature of Adobe's current operations and its principal activities	<p>Founded in 1982, Adobe is one of the largest and most diversified software companies in the world. Adobe offers a line of products and services used by creative professionals, marketers, knowledge workers, application developers, enterprises and consumers for creating, managing, delivering, measuring, optimizing and engaging with compelling content and experiences across multiple operating systems, devices and media. Adobe markets and licenses its products and services directly to enterprise customers through its sales force and to end-users through app stores and its own website at <a href="http://www.adobe.com">www.adobe.com</a>. Adobe offers many of its products via a Software-as-a-Service (“SaaS”) model or a managed services model (both of which are referred to as a hosted or cloud-based model) as well as through term subscription and pay-per-use models. Adobe also distributes certain products and services through a network of distributors, value-added resellers, systems integrators, independent software vendors, retailers and original equipment manufacturers (“OEMs”). In addition, Adobe licenses its technology to hardware manufacturers, software developers and service providers for use in their products and solutions. Adobe's products run on personal and server-based computers, as well as on smartphones, tablets and other devices, depending on the product. Adobe has operations in the Americas, Europe, Middle East and Africa and Asia-Pacific.</p> <p>Adobe has the following reportable segments:</p> <ul style="list-style-type: none"><li>• <i>Digital Media</i>—Its Digital Media segment provides tools and solutions that enable individuals, small and medium businesses and enterprises to create, publish, promote and monetize their digital content anywhere. Its customers include traditional content creators, web application developers and digital media professionals, as well as their management in marketing departments and agencies, companies and publishers. Its customers also include knowledge workers who create, collaborate and distribute documents.</li><li>• <i>Digital Marketing</i>—Its Digital Marketing segment provides solutions and services for how digital advertising and marketing are created, managed, executed, measured and optimized. Its customers include digital marketers, advertisers, publishers, merchandisers, web analysts, chief marketing officers, chief information officers and chief revenue officers.</li><li>• <i>Print and Publishing</i>—Its Print and Publishing segment addresses market opportunities ranging from the diverse authoring and publishing needs of technical and business publishing to its legacy type and OEM printing businesses.</li></ul> <p>Adobe's segment results for fiscal 2014, 2013 and 2012 were as follows (dollars in thousands):</p> <table><tr><th></th><th>Digital Media</th><th>Digital Marketing</th><th>Print and Publishing</th><th>Total</th></tr><tr><td><b>Fiscal 2014</b></td><td></td><td></td><td></td><td></td></tr><tr><td>Revenue</td><td>\$ 2,603,179</td><td>\$ 1,355,216</td><td>\$ 188,670</td><td>\$ 4,147,065</td></tr><tr><td><b>Fiscal 2013</b></td><td></td><td></td><td></td><td></td></tr><tr><td>Revenue</td><td>\$ 2,625,913</td><td>\$ 1,228,868</td><td>\$ 200,459</td><td>\$ 4,055,240</td></tr><tr><td><b>Fiscal 2012</b></td><td></td><td></td><td></td><td></td></tr><tr><td>Revenue</td><td>\$ 3,101,864</td><td>\$ 1,085,042</td><td>\$ 216,771</td><td>\$ 4,403,677</td></tr></table>		Digital Media	Digital Marketing	Print and Publishing	Total	<b>Fiscal 2014</b>					Revenue	\$ 2,603,179	\$ 1,355,216	\$ 188,670	\$ 4,147,065	<b>Fiscal 2013</b>					Revenue	\$ 2,625,913	\$ 1,228,868	\$ 200,459	\$ 4,055,240	<b>Fiscal 2012</b>					Revenue	\$ 3,101,864	\$ 1,085,042	\$ 216,771	\$ 4,403,677
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<b>B.4a</b>	<b>Recent trends</b>	<p>On March 17, 2015, Adobe reported financial results for its first quarter of fiscal year 2015 ended February 27, 2015. In the first quarter of fiscal 2015, Adobe achieved revenue of \$1.11 billion, above the high end of its targeted range of \$1.05 billion to \$1.10 billion. Adobe's diluted earnings per share were \$0.17 on accounting principles generally accepted in the United States of America ("U.S. GAAP") basis and Adobe's cash flow from operations was \$183 million.</p> <p>On January 27, 2015, Adobe completed its acquisition of privately held Fotolia, a leading marketplace for royalty-free photos, images, graphics and HD videos, for approximately \$800 million in cash. Adobe financed the acquisition using existing cash, cash equivalents and short-term investment balances and newly issued debt. During the first quarter of fiscal 2015, Adobe began integrating Fotolia into its Digital Media reportable segment.</p>
<b>B.5</b>	<b>Organizational structure</b>	Adobe is the head of the Adobe group. Adobe wholly owns, directly or indirectly, each of its subsidiaries. As of January 5, 2015, Adobe had 13 subsidiaries in the Americas, 25 subsidiaries in Europe, one (1) subsidiary in Africa, 11 subsidiaries in Asia and one (1) subsidiary in the Middle East.
<b>B.6</b>	<b>Interests in Adobe's capital or voting rights</b>	Not applicable. Pursuant to its Q&A, ESMA considers that Item 18 of Annex I of the Prospectus Regulation is generally not pertinent for offers of shares to employees and can thus be omitted from the prospectus in accordance with Article 23.4 of the Prospectus Regulation.
<b>B.7</b>	<b>Financial information concerning Adobe for the fiscal years ended November 28, 2014, November 29, 2013 and November 30, 2012, and for the quarters ended February 27, 2015 and February 28, 2014</b>	

The selected financial data of Adobe set out in this prospectus have been derived in part from Adobe's consolidated financial statements prepared in accordance with U.S. GAAP.

**SELECTED THREE-YEAR FINANCIAL DATA**  
(In thousands of US Dollars, except per share amounts and employee data)

	Fiscal Years		
	2014	2013	2012
Operations:			
Revenue	\$ 4,147,065	\$ 4,055,240	\$ 4,403,677
Gross profit	\$ 3,524,985	\$ 3,468,683	\$ 3,919,895
Income before income taxes	\$ 361,376	\$ 356,141	\$ 1,118,794
Net income	\$ 268,395	\$ 289,985	\$ 832,775
Net income per share:			
Basic	\$ 0.54	\$ 0.58	\$ 1.68
Diluted	\$ 0.53	\$ 0.56	\$ 1.66
Shares used to compute basic net income per share	497,867	501,372	494,731
Shares used to compute diluted net income per share	508,480	513,476	502,721
Cash dividends declared per common share	\$ —	\$ —	\$ —
Financial position: <sup>(1)</sup>			
Cash, cash equivalents and short-term investments	\$ 3,739,491	\$ 3,173,752	\$ 3,538,353
Working capital	\$ 2,107,893	\$ 2,520,281	\$ 3,125,314

Total assets	\$ 10,785,829	\$ 10,380,298	\$ 10,040,229
Debt and capital lease obligations, non-current	\$ 911,086	\$ 1,499,297	\$ 1,496,938
Stockholders' equity	\$ 6,775,905	\$ 6,724,634	\$ 6,665,182
Additional data:			
Worldwide employees	12,499	11,847	11,144

(1) Information associated with Adobe's financial position is as of the Friday closest to November 30 for the three fiscal periods through 2014.

**SELECTED QUARTERLY DATA**  
(In thousands of US Dollars, except per share data – Unaudited)

	Three months ended	
	February 27, 2015	February 28, 2014
<b>Condensed Consolidated Statements of Income Data</b>		
Total revenue	\$ 1,109,181	\$ 1,000,120
Gross profit	\$ 942,383	\$ 851,611
Income before income taxes	\$ 163,248	\$ 64,892
Net income	\$ 84,888	\$ 47,046
Basic net income per share	\$ 0.17	\$ 0.09
Diluted net income per share	\$ 0.17	\$ 0.09
	February 27, 2015	November 28, 2014*
<b>Condensed Consolidated Balance Sheet Data</b>		
Cash, cash equivalents and short-term investments	\$ 3,176,820	\$ 3,739,491
Total assets	\$ 11,008,422	\$ 10,785,829
Debt and capital lease obligations	\$ 1,901,618	\$ 1,514,315
Total liabilities	\$ 4,419,402	\$ 4,009,924
Total stockholders' equity	\$ 6,589,020	\$ 6,775,905

\* Derived from audited consolidated balance sheet.

<b>B.8</b>	<b>Pro forma financial information</b>	Not applicable. Pursuant to its Q&A, ESMA considers that Item 20.2 of Annex I of the Prospectus Regulation is generally not pertinent for offers of shares to employees and can thus be omitted from the prospectus in accordance with Article 23.4 of the Prospectus Regulation.
<b>B.9</b>	<b>Profit forecast</b>	Not applicable. This prospectus does not contain any profit forecast.
<b>B.10</b>	<b>Qualifications in the audit report on the historical financial information</b>	Not applicable. There are no such qualifications in the auditors' report.
<b>B.11</b>	<b>Working capital statement</b>	Not applicable. Adobe's working capital is sufficient for its present requirements.

**SECTION C — SECURITIES**

<b>C.1</b>	<b>Type and class of the securities being offered, including the security</b>	<p>Adobe's shares of common stock, par value \$0.0001 per share ("Shares") offered pursuant to this prospectus can be either treasury shares or newly issued Shares, at Adobe's sole discretion.</p> <p>The Shares are or will, after their issuance, be listed on Nasdaq Global</p>
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	<b>identification code</b>	Select Market (“NASDAQ”) under the symbol “ADBE.” The CUSIP for the Shares is 00724F101.
<b>C.2</b>	<b>Currency of the securities issue</b>	The United States Dollar is the currency of the securities issue.
<b>C.3</b>	<b>Number of shares issued</b>	As of February 27, 2015, Adobe was authorized to issue 900,000,000 Shares and 2,000,000 shares of preferred stock, par value \$0.0001 per share. As of March 20, 2015, there were 500,269,100 Shares outstanding and no shares of preferred stock issued or outstanding.
<b>C.4</b>	<b>Rights attached to the securities</b>	<p>No Participating Employee (as defined in Element E.3 below) shall have any voting, dividend, or other stockholder rights with respect to any offering under the ESPP until the Shares have been purchased and delivered to the Participating Employee. Following such purchase and delivery, the Participating Employee shall be entitled to the rights attached to the Shares, as further described below:</p> <p><b>Dividend Rights.</b> Adobe’s Restated Certificate of Incorporation does not provide for dividend rights for the Shares. Under the General Corporation Law of the State of Delaware (US) (the “DGCL”) and subject to preferences that may apply to shares of Adobe preferred stock outstanding at the time, the holders of outstanding Shares are entitled to receive dividends either (1) out of the surplus, or (2) in case there shall be no such surplus, out of the company’s net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year as Adobe’s Board of Directors (the “Board”) may from time to time determine (see Section 170 DGCL).</p> <p><b>Voting Rights.</b> Each holder of Shares is entitled to one vote for each Share held on all matters submitted to a vote of Adobe’s stockholders.</p> <p><b>Right to Receive Liquidation Distributions.</b> Upon a liquidation, dissolution or winding-up of the Company, the assets legally available for distribution to stockholders are distributable ratably among the holders of the outstanding Shares at that time after payment of any liquidation preferences on any outstanding preferred stock.</p> <p><b>No Preemptive, Redemptive or Conversion Provisions.</b> The Shares are not entitled to preemptive rights and are not subject to conversion or redemption.</p>
<b>C.5</b>	<b>Transferability restrictions</b>	Not applicable. The Shares in this offering are registered on Form S-8 with the SEC and are generally freely transferable.
<b>C.6</b>	<b>Admission to trading on a regulated market</b>	Not applicable. As noted in Element C.1 above, the Shares are listed on NASDAQ.
<b>C.7</b>	<b>Dividend policy</b>	Adobe did not declare or pay any cash dividends on its Shares during fiscal 2014, fiscal 2013 or fiscal 2012. Under the terms of its credit agreement and lease agreements, Adobe is not prohibited from paying cash dividends unless payment would trigger an event of default or one currently exists. Adobe does not anticipate paying any cash dividends in the foreseeable future.

SECTION D — RISKS		
D.1	Key risks related to Adobe or its industry	<p>Set forth below are summaries of the key risks, uncertainties and other factors that may affect Adobe's future results. The risks and uncertainties described below are not the only ones facing Adobe.</p> <ul style="list-style-type: none"> <li>• If Adobe cannot continue to develop, market and offer new products and services or enhancements to existing products and services that meet customer requirements, its operating results could suffer.</li> <li>• Introduction of new products, services and business models by existing and new competitors could harm Adobe's competitive position and results of operations.</li> <li>• If Adobe fails to successfully manage transitions to new business models and markets, its results of operations could suffer.</li> <li>• Security vulnerabilities in Adobe's products and systems could lead to reduced revenues or to liability claims.</li> <li>• Uncertainty about current and future economic conditions and other adverse changes in general political conditions in any of the major countries in which Adobe does business could adversely affect its operating results.</li> <li>• Adobe may not realize the anticipated benefits of past or future acquisitions, and integration of these acquisitions may disrupt its business and management.</li> <li>• Increasing regulatory focus on privacy issues and expanding laws and regulations could impact Adobe's new business models and expose it to increased liability.</li> <li>• Failure to manage Adobe's sales and distribution channels and third-party customer service and technical support providers effectively could result in a loss of revenue and harm to its business. Adobe contracts with a number of software distributors, none of which is individually responsible for a material amount of its total net revenue for any recent period.</li> <li>• Adobe is subject to risks associated with compliance with laws and regulations globally which may harm its business.</li> <li>• Adobe has issued \$1.9 billion of notes in a debt offering and may incur other debt in the future, which may adversely affect its financial condition and future financial results.</li> </ul>
D.3	Key risks related to the shares	<p>Participating Employees (as defined in Element E.3) assume the risk of any currency fluctuations from the time of their contributions to the ESPP by payroll deductions through the selling of their Shares purchased under the ESPP.</p>

SECTION E — OFFER		
<b>E.1</b>	<b>Net proceeds</b>	Assuming that the 1,564 eligible employees in France, Germany, Romania and the United Kingdom would purchase the maximum amount of Shares under the ESPP offered pursuant to this prospectus, that is, a total of \$42,438 each, then the gross proceeds of Adobe in connection with the offer under the ESPP pursuant to this prospectus would be approximately \$66,373,032. The calculation of the gross proceeds is based on a hypothetical Purchase Price (as defined in Element E.3 below) of \$64.30 (85% of \$75.65, the closing price on April 7, 2015) and assuming that the July 1, 2015 and the December 31, 2015 Share price, respectively, are less than the December 31, 2015 and June 30, 2016 Share price, respectively. After deducting legal and accounting expenses in connection with the offer, the net proceeds would be approximately \$66,283,032.
<b>E.2a</b>	<b>Reasons for the offer and use of proceeds</b>	<p>The purpose of the ESPP is to provide eligible employees of the participating company group with an opportunity to acquire a proprietary interest in the Company through the purchase of Shares.</p> <p>The net proceeds will be used for general corporate purposes.</p>
<b>E.3</b>	<b>Description of the terms and conditions of the offer</b>	<p>Adobe will offer eligible employees of Adobe and its subsidiaries the right to purchase its Shares under the ESPP.</p> <p>The offering of the ESPP may be considered a public offering of securities pursuant to the Prospectus Directive in the following EEA countries, subject to its applicable legislation: France, Germany, Romania and the United Kingdom. The offering of the ESPP may also be made in the following EEA countries: Austria, Belgium, Czech Republic, Denmark, Finland, Ireland, Italy, Netherlands, Norway, Poland, Spain and Sweden (the “Additional Countries”). However, such offering is not considered a public offering of securities and/or the obligation to publish a prospectus does not apply to the offering under the legislation implementing the Prospectus Directive in the Additional Countries. The total amount of the offering of the ESPP in the EEA is more than €5 million over a 12-month period.<sup>2</sup></p> <p>This prospectus will be made available to employees of the subsidiaries of Adobe based in the above-named countries where the offering of the ESPP may be considered a public offering of securities at the respective head offices of their employers.</p> <p>The ESPP is administered by the Board or a committee appointed by the Board (the “Committee”). Eligible employees are offered participation in the ESPP and may decide to enroll in the ESPP (“Participating Employees”). The ESPP is composed of offering periods that are</p>

<sup>2</sup> Pursuant to this prospectus, the ESPP is offered to 1,564 eligible employees in France, Germany, Romania and the United Kingdom, where such offering is considered a public offering pursuant to the Prospectus Directive. In addition, the ESPP will be offered to approximately 319 eligible employees in the Additional Countries where such offering is not considered a public offering pursuant to the Prospectus Directive. The total amount of the offering of the ESPP in France, Germany, Romania and the United Kingdom and the Additional Countries is more than €5 million over a 12-month period.



		<p>approximately 24 months in duration (“Offering Periods”) which contain four successive six-month purchase periods (“Purchase Periods”). The first day of each Offering Period is referred to as the “Offering Date.” Purchase Periods commence on or about January 1 and July 1 of each year and end on or about June 30 and December 31. Once enrolled, Participating Employees may purchase Shares at a discount on the last trading day of each Purchase Period (the “Purchase Date”).</p> <p>During each six-month Purchase Period, Participating Employees may elect to contribute to the ESPP through payroll deductions between 1% and 25% of their eligible compensation (i.e., the employer automatically deducts this amount from the Participating Employees’ compensation on each pay date). The accumulated payroll deductions are used to purchase Shares at the end of each Purchase Period. The purchase price per Share is 85% of the lesser of (1) the Fair Market Value<sup>3</sup> of a Share on the first business day of the 24-month Offering Period or (2) the Fair Market Value of a Share on each purchase date within a 24-month Offering Period (the “Purchase Price”).</p> <p>The Purchase Price depends upon when the Participating Employee enrolls in the ESPP. If an employee enrolls in the ESPP during June 2015 for participation in the July 1, 2015 Purchase Period, the Purchase Price will be 85% of the lower of (1) the Fair Market Value of a Share on December 31, 2015 (the Purchase Date) or (2) the Fair Market Value of a Share on July 1, 2015 (the Offering Date of this Participating Employee’s Offering Period). However, as an example, for an employee who enrolled in the July 1, 2014 Offering Period, the Purchase Price will be 85% of the lower of the December 31, 2015 price (the Purchase Date) or the July 1, 2014 price (the first day of this Participating Employee’s Offering Period).</p> <p>Additionally, if the Fair Market Value of a Share on a new Purchase Date is less than the Fair Market Value of a Share on the previous Offering Date, the Participating Employee will be automatically withdrawn from the Offering Period and re-enrolled in the new Offering Period. The Participating Employee acknowledges that in the event of such re-enrollment, the Fair Market Value of the Shares on the new Offering Date may be higher than that on the previous Offering Date (as the result of an increase in the Fair Market Value of the Shares between the Purchase Date and the Offering Date the next trading day). The Participating Employee may withdraw from the ESPP as described below.</p> <p>The ESPP is offered to eligible employees of Adobe and its designated subsidiaries (“Participating Companies”), some of which are located in the EEA. Eligible employees may only purchase (i) Shares having a Fair Market Value on the applicable Offering Date of not more than \$25,000 per calendar year and (ii) 5,000 Shares per 24-month Offering Period. Additionally, eligible employees may only contribute up to 25% of eligible compensation.</p> <p>An eligible employee may become a Participating Employee in an Offering Period by completing a subscription agreement and any other required documents (the “Enrollment Documents”) provided by Adobe and submitting them to the office designated by Adobe not later than the</p>
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<sup>3</sup> The Fair Market Value is, as of any date, the closing sale price of a Share as quoted on the NASDAQ, as reported in The Wall Street Journal or such other source as the Company deems reliable.

		<p>close of business for such office on the last business day prior to the Offering Date of an Offering Period or such earlier date as the Company establishes for such Offering Period (the “Subscription Date”), pursuant to the rules prescribed by the Board. In order to participate in the Purchase Period beginning July 1, 2015, eligible employees must enroll by June 30. The Enrollment Documents will set forth the amount of the Participating Employee’s compensation contributed to the ESPP. Participating Employees do not need to complete Enrollment Documents for each Offering Period; their election to participate will be valid until they withdraw from the ESPP. A Participating Employee may change the percentage of authorized deductions by delivering to Adobe’s designated office an amended subscription agreement on or before the date prior to the beginning of the first pay period for which election is to be effective as established by Adobe. In addition, a Participating Employee may withdraw from the ESPP provided such written notice of withdrawal is made at any time prior to the end of an Offering Period.</p> <p>Rights under the ESPP may not be transferred in any way (other than by will, the laws of descent and distribution) by Participating Employees.</p> <p>As of May 1, 2015, there were 12,185,364 Shares available for issuance under the ESPP on a worldwide basis (out of a maximum 93 million Shares available under the ESPP).</p>											
E.4	Description of material interest to the offer including conflict of interests	Not applicable. There are no such interests.											
E.5	Name of the entity offering to sell the security	Adobe Systems Incorporated.											
E.6	Maximum dilution	<p>Assuming that the Shares offered pursuant to this prospectus to the 1,564 eligible employees in France, Germany, Romania and the United Kingdom would all be newly issued, the holdings of a stockholder of Adobe currently holding 1% of the total outstanding Share capital of Adobe as of March 20, 2015 (i.e., 5,002,691 Shares) and who would not participate in the offer, would be diluted as indicated in the following dilution table:</p> <table><tr><td></td><td>Percentage of the total outstanding Shares</td><td>Total number of outstanding Shares</td></tr><tr><td>Before the offering (as of March 20, 2015)</td><td>1.00%</td><td>500,269,100</td></tr><tr><td>After issuance of 1,032,240 Shares under the ESPP</td><td>0.998%</td><td>501,301,340</td></tr></table>				Percentage of the total outstanding Shares	Total number of outstanding Shares	Before the offering (as of March 20, 2015)	1.00%	500,269,100	After issuance of 1,032,240 Shares under the ESPP	0.998%	501,301,340
	Percentage of the total outstanding Shares	Total number of outstanding Shares											
Before the offering (as of March 20, 2015)	1.00%	500,269,100											
After issuance of 1,032,240 Shares under the ESPP	0.998%	501,301,340											
E.7	Estimated expenses charged to the investor	Not applicable. There are no such expenses.											

## THE FOLLOWING INFORMATION IS NOT PART OF THE PROSPECTUS SUMMARY

## PART II — PROSPECTUS

**SECTION A — RISK FACTORS****I. RISKS RELATED TO ADOBE'S BUSINESS AND INDUSTRY**

Our actual results could differ materially from our forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, those discussed below. These and many other factors described in Adobe's Quarterly Report on Form 10-Q for the quarter ended February 27, 2015, filed with the SEC on March 25, 2015 ("Adobe's Form 10-Q") could adversely affect our operations, performance and financial condition.

***If we cannot continue to develop, market and offer new products and services or enhancements to existing products and services that meet customer requirements, our operating results could suffer.***

The process of developing new high technology products and services and enhancing existing products and services is complex, costly and uncertain. If we fail to anticipate customers' changing needs and emerging technological trends, our market share and results of operations could suffer. We must make long-term investments, develop or obtain appropriate intellectual property and commit significant resources before knowing whether our predictions will accurately reflect customer demand for our products and services. If we are unable to extend our core technologies into new applications and new platforms and to anticipate or respond to technological changes, the market's acceptance of our products and services could decline and our results would suffer. Additionally, any delay in the development, production, marketing or offering of a new product or service or enhancement to an existing product or service could result in customer attrition or impede our ability to attract new customers, causing a decline in our revenues, earnings or stock price and weakening our competitive position. We maintain strategic relationships with third parties to market certain of our products and support certain product functionality. If we are unsuccessful in establishing or maintaining our strategic relationships with these third parties, our ability to compete in the marketplace, to reach new customers and geographies or to grow our revenues would be impaired and our operating results would suffer.

We offer our products on a variety of personal computers, tablet and mobile devices. Recent trends have shown a technological shift from personal computers to tablet and mobile devices. If we cannot continue to adapt our products to tablet and mobile devices our business could be harmed. To the extent that consumer purchases of these devices slow down, or to the extent that significant demand arises for our products or competitive products on other platforms before we offer our products on those platforms, our business could be harmed. Releases of new devices or operating systems may make it more difficult for our products to perform or may require significant costs in order for us to adapt our solutions to such devices or operating systems. These potential costs and delays could harm our business.

***Introduction of new products, services and business models by existing and new competitors could harm our competitive position and results of operations.***

The markets for our products and services are characterized by intense competition, evolving industry standards, emerging business and distribution models, disruptive technology developments, short product and service life cycles, price sensitivity on the part of customers, and frequent new product introductions, including alternatives with limited functionality available at lower costs or free of charge. Any of these factors could create downward pressure on pricing and gross margins and could adversely affect our renewal and upgrade rates, as well as our ability to attract new customers. Our future success will

depend on our ability to enhance our existing products and services, introduce new products and services on a timely and cost-effective basis, meet changing customer needs, extend our core technology into new applications, and anticipate and respond to emerging standards, business models, software delivery methods and other technological developments, such as the evolution and emergence of digital application marketplaces as a direct sales and software delivery environment. These digital application marketplaces often have exclusive distribution for certain platforms, which may make it more difficult for us to compete in these markets. If any competing products, services or operating systems (that don't support our solutions) achieve widespread acceptance, our operating results could suffer. In addition, consolidation has occurred among some of the competitors in the markets in which we compete. Further consolidations in these markets may subject us to increased competitive pressures and may therefore harm our results of operations. For additional information regarding our competition and the risks arising out of the competitive environment in which we operate, see the section entitled "Competition" contained in Item 1 of Adobe's Annual Report on Form 10-K for the fiscal year ended November 28, 2014, filed with the SEC on January 20, 2015 ("Adobe's Form 10-K").

***If we fail to successfully manage transitions to new business models and markets, our results of operations could suffer.***

We often release new offerings and employ new software and services delivery methods in connection with our diversification into new business models and markets. It is uncertain whether these strategies will prove successful or whether we will be able to develop the necessary infrastructure and business models more quickly than our competitors. Market acceptance of new product and service offerings will be dependent on our ability (1) to include functionality and usability that address customer requirements, and (2) to optimally price our products in light of marketplace conditions, our costs and customer demand. New product and service offerings could subject us to increased risk of liability related to the provision of services as well as cause us to incur significant technical, legal or other costs. For example, with our cloud-based services and subscription-based licensing models, such as Creative Cloud, we have entered markets that may not be fully accustomed to cloud-based subscription offerings. Market acceptance of such services is affected by a variety of factors, including information security, reliability, performance, social/community engagement, local government regulations regarding online services and user-generated content, the sufficiency of technological infrastructure to support our products in certain geographies, customer concerns with entrusting a third party to store and manage their data, public concerns regarding data privacy and the enactment of laws or regulations that restrict our ability to provide such services to customers in the U.S. or internationally. If we are unable to respond to these threats, our business could be harmed.

From time to time we open-source certain of our technology initiatives, provide broader open access to our technology, license certain of our technology on a royalty-free basis, or release selected technology for industry standardization. Additionally, customer requirements for open standards or open-source products could impact adoption or use of some of our products or services. To the extent we incorrectly predict customer requirements for such products or services, or if there is a delay in market acceptance of such products or services, our business could be harmed.

We also devote significant resources to the development of technologies and service offerings in markets where our operating history is less extensive, such as the marketplace for stock imagery. These new offerings and markets may require a considerable investment of technical, financial, compliance and sales resources, and a scalable organization. Some of our competitors may have advantages over us due to their larger presence, larger developer network, deeper market experience and larger sales, consulting and marketing resources. If we are unable to successfully establish new offerings in light of the competitive environment, our results of operations could suffer.

***The increased emphasis on a cloud strategy may give rise to risks that could harm our business.***

Over the past several years, our business has shifted away from pre-packaged creative software to focus on a subscription model that prices and delivers our products in a way that differs from the historical pricing and delivery methods of our creative tools. These changes reflect a significant shift from perpetual

license sales and distribution of our software in favor of providing our customers the right to access certain of our software in a hosted environment or use downloaded software for a specified subscription period. This cloud strategy requires continued investment in product development and cloud operations, and may give rise to a number of risks, including the following:

- if customers desire only perpetual licenses or to purchase or renew only point product subscriptions rather than acquire the entire Creative Cloud offering, our subscription sales may lag behind our expectations;
- our cloud strategy may raise concerns among our customer base, including concerns regarding changes to pricing over time, service availability, information security of a cloud solution and access to files while offline or once a subscription has expired;
- small businesses and hobbyists may turn to competitive or open-source offerings;
- we may be unsuccessful in maintaining our target pricing, new seat adoption and projected renewal rates; we may select a target price that is not optimal and could negatively affect our sales or earnings; or we may have to rely heavily on promotional rates to achieve target seat adoption, which could reduce average revenue per user; and
- we may incur costs at a higher than forecasted rate as we expand our cloud operations.

***Subscription offerings and Enterprise Term License Agreements (“ETLAs”) create risks related to the timing of revenue recognition.***

Although the subscription model is designed to increase the number of customers who purchase our products and services and create a recurring revenue stream that is more predictable, it creates certain risks related to the timing of revenue recognition and potential reductions in cash flows.

A portion of the subscription-based revenue we report each quarter results from the recognition of deferred revenue relating to subscription agreements entered into during previous quarters. A decline in new or renewed subscriptions in any period may not be immediately reflected in our reported financial results for that period, but may result in a decline in our revenue in future quarters. If we were to experience significant downturns in subscription sales and renewal rates, our reported financial results might not reflect such downturns until future periods. Our subscription model could also make it difficult for us to rapidly increase our revenues from subscription-based or hosted services through additional sales in any period, as revenue from new customers will be recognized over the applicable subscription term. Further, any increases in sales under our subscription sales model could result in decreased revenues over the short term if they are offset by a decline in sales from perpetual license customers.

Additionally, in connection with our sales efforts to enterprise customers and our use of ETLAs, a number of factors could affect our revenues, including longer than expected sales and implementation cycles, potential deferral of revenue due to multiple-element revenue arrangements and alternate licensing arrangements. If any of our assumptions about revenue from our new businesses or our addition of a subscription-based model prove incorrect, our actual results may vary materially from those anticipated, estimated or projected.

***We may be unable to predict subscription renewal rates and the impact these rates may have on our future revenue and operating results.***

The hosted business model we utilize in our Adobe Marketing Cloud offerings typically involves selling services on a subscription basis pursuant to service agreements that are generally one to three years in length. Our individual Creative Cloud subscription agreements are generally month-to-month or one year in length, ETLAs for our Digital Media products and services are generally three years in length, and subscription agreements for other products and services may provide for shorter or longer terms.

Although many of our service and subscription agreements contain automatic renewal terms, our customers have no obligation to renew their subscriptions for our services after the expiration of their initial subscription period, and some customers elect not to renew. We cannot provide assurance that these subscriptions will be renewed at the same or higher level of service, for the same number of seats/licenses or for the same duration of time, if at all. Moreover, under certain circumstances, some of our customers have the right to cancel their service agreements prior to the expiration of the terms of their agreements. We cannot be assured that we will be able to accurately predict future customer renewal rates. Our customers' renewal rates may decline or fluctuate as a result of a number of factors, including their level of satisfaction with our services, the reliability (including uptime) of our subscription services, the prices of our services, the perceived information security of our systems and services, the prices of services offered by our competitors, mergers and acquisitions affecting our customer base, reductions in our customers' spending levels, or declines in customer activity as a result of economic downturns or uncertainty in financial markets. If our customers do not renew their subscriptions for our services or if they renew on less favorable terms to us, our revenues may decline.

Our future growth is also affected by our ability to sell additional features and services to our current customers, which depends on a number of factors, including customers' satisfaction with our products and services, the prices of our offerings and general economic conditions. If our efforts to cross-sell and upsell to our customers are unsuccessful, the rate at which our business grows might decline.

***Security vulnerabilities in our products and systems could lead to reduced revenues or to liability claims.***

Maintaining the security of our products, computers and networks is a critical issue for us and our customers. Security researchers, criminal hackers and other third parties regularly develop new techniques to penetrate computer and network security measures and, as we have previously disclosed, certain parties have in the past managed to breach certain of our data-security systems and misused certain of our systems and software in order to access our end users' authentication and payment information. In addition, cyber-attackers also develop and deploy viruses, worms and other malicious software programs, some of which may be specifically designed to attack our products, systems, computers or networks. Sophisticated hardware and operating system applications that we produce or procure from third parties may contain defects in design or manufacture, including bugs and other problems that could unexpectedly compromise the security of the system. The costs to eliminate or alleviate cyber or other security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities are significant, and our efforts to address these problems may not be successful and could result in interruptions, delays, cessation of service and loss of existing or potential customers that may impede our sales, manufacturing, distribution or other critical functions, as well as potential liability to the company.

Outside parties have in the past and may in the future attempt to fraudulently induce our employees or users of our services to disclose sensitive information via illegal electronic spamming, phishing or other tactics. Unauthorized parties may also attempt to gain physical access to one of our facilities in order to infiltrate our information systems. These actual and potential breaches of our security measures and the accidental loss, inadvertent disclosure or unauthorized dissemination of proprietary information or sensitive, personal or confidential data about us, our employees or our customers, including the potential loss or disclosure of such information or data as a result of hacking, fraud, trickery or other forms of deception, could expose us, our employees, our customers or the individuals affected to a risk of loss or misuse of this information. This may result in litigation and potential liability or fines for us, or governmental inquiry and oversight, any of which could damage our brand and reputation, possibly impeding our present and future success in retaining and attracting new customers and thereby requiring time and resources to repair our brand image.

These problems affect our products and services in particular because cyber-attackers tend to focus their efforts on the most popular offerings (such as those with large bases of users), and we expect them to continue to do so. Critical vulnerabilities may be identified in certain of our applications. These vulnerabilities could cause such applications to crash and could allow an attacker to take control of the

affected system, which could result in liability to us or limit our ability to conduct our business and deliver our products and services to customers. We devote significant resources to address security vulnerabilities through engineering more secure products, enhancing security and reliability features in our products and systems, code hardening, conducting rigorous penetration tests, deploying security updates to address security vulnerabilities and improving our incident response time, but these security vulnerabilities cannot be totally eliminated. The cost of these steps could reduce our operating margins, and we may be unable to implement these measures quickly enough to prevent cyber-attackers from gaining unauthorized access into our systems and products. Despite our preventative efforts, actual or perceived security vulnerabilities in our products and systems may harm our reputation or lead to claims against us (and have in the past lead to such claims), and could lead some customers to seek to return products, to stop using certain services, to reduce or delay future purchases of products or services, or to use competing products or services. If we do not make the appropriate level of investment in our technology systems or if our systems become out-of-date or obsolete and we are not able to deliver the quality of data security customers require, our business could be adversely affected. Customers may also increase their expenditures on security measures designed to protect their existing computer systems from attack, which could delay adoption of new technologies. Further, if we or our customers are subject to a future attack, or our technology is utilized in a third-party attack, it may be necessary for us to take additional extraordinary measures and make additional expenditures to take appropriate responsive and preventative steps. Any of these events could adversely affect our revenues or margins. Moreover, delayed sales, lower margins or lost customers resulting from the disruptions of cyber-attacks or preventative measures could adversely affect our financial results, stock price and reputation.

***Some of our lines of business rely on us or our third-party service providers to host and deliver services and data, and any interruptions or delays in these hosted services, security or privacy breaches, or failures in data collection could expose us to liability and harm our business and reputation.***

Some of our lines of business and services, including our online store at adobe.com, Creative Cloud, other hosted Digital Media offerings and our Adobe Marketing Cloud solutions, rely on hardware and services hosted and controlled directly by us or by our third-party service providers. We do not have redundancy for all of our systems, many of our critical applications reside in only one of our data centers, and our disaster recovery planning may not account for all eventualities. If our business relationship with a third-party provider of hosting or content delivery services is negatively affected, or if one of our content delivery suppliers were to terminate their agreement with us, we might not be able to deliver the corresponding hosted offerings to our customers, which could subject us to reputational harm and cause us to lose customers and future business, reducing our revenues.

We hold large amounts of customer data, some of which is hosted in third-party facilities. A security incident at those facilities or ours may compromise the confidentiality, integrity or availability of customer data. Unauthorized access to customer data stored on our computers or networks may be obtained through break-ins, breach of our secure network by an unauthorized party, employee theft or misuse, or other misconduct. It is also possible that unauthorized access to customer data may be obtained through inadequate use of security controls by customers. While our products and services provide and support strong password controls, IP restriction and account controls, their use is controlled by the customer. Accounts created with weak passwords could allow cyber-attackers to gain access to customer data. Additionally, failure by customers to remove accounts of their own employees, or granting of accounts by the customer in an uncontrolled manner, may allow for access by former or unauthorized customer representatives. If there were an inadvertent disclosure of personal information, or if a third party were to gain unauthorized access to the personal information we possess on behalf of our customers, our operations could be disrupted, our reputation could be damaged and we could be subject to claims or other liabilities. In addition, such perceived or actual unauthorized disclosure of the information we collect or breach of our security could damage our reputation, result in the loss of customers and harm our business.

Because of the large amount of data that we collect and manage on behalf of our customers, it is possible that hardware or software failures or errors in our systems (or those of our third-party service providers)

could result in data loss or corruption or cause the information that we collect to be incomplete or contain inaccuracies that our customers regard as significant. Furthermore, our ability to collect and report data may be delayed or interrupted by a number of factors, including access to the internet, the failure of our network or software systems, security breaches or significant variability in visitor traffic on customer websites. In addition, computer viruses may harm our systems causing us to lose data, and the transmission of computer viruses could expose us to litigation. We may also find, on occasion, that we cannot deliver data and reports to our customers in near real time because of a number of factors, including significant spikes in customer activity on their websites or failures of our network or software. If we supply inaccurate information or experience interruptions in our ability to capture, store and supply information in near real time or at all, our reputation could be harmed and we could lose customers, or we could be found liable for damages or incur other losses.

***Uncertainty about current and future economic conditions and other adverse changes in general political conditions in any of the major countries in which we do business could adversely affect our operating results.***

As our business has grown, we have become increasingly subject to the risks arising from adverse changes in economic and political conditions, both domestically and globally. Uncertainty about current and future economic and political conditions on us, our customers, suppliers and partners, makes it difficult for us to forecast operating results and to make decisions about future investments. If economic growth in countries where we do business slows, customers may delay or reduce technology purchases, advertising spending or marketing spending. This could result in reductions in sales of our products and services, longer sales cycles, slower adoption of new technologies and increased price competition. Our customers include government entities, including the U.S. federal government, and if spending cuts impede the government's ability to purchase our products and solutions, our revenues could decline. Deterioration in economic conditions in any of the countries in which we do business could also cause slower or impaired collections on accounts receivable, which may adversely impact our liquidity and financial condition.

A financial institution credit crisis could impair credit availability and financial stability of our customers, including our distribution partners and channels. A disruption in the financial markets may also have an effect on our derivative counterparties and could also impair our banking partners on which we rely for operating cash management. Any of these events would likely harm our business, results of operations and financial condition.

Political instability in or around any of the major countries in which we do business would also likely harm our business, results of operations and financial condition.

***We may not realize the anticipated benefits of past or future acquisitions, and integration of these acquisitions may disrupt our business and management.***

We may not realize the anticipated benefits of an acquisition of a company, division, product or technology, each of which involves numerous risks. These risks include:

- difficulty in integrating the operations and personnel of the acquired company;
- difficulty in effectively integrating the acquired technologies, products or services with our current technologies, products or services;
- difficulty in maintaining controls, procedures and policies during the transition and integration;
- entry into markets in which we have minimal prior experience and where competitors in such markets have stronger market positions;



- disruption of our ongoing business and distraction of our management and other employees from other opportunities and challenges;
- inability to retain personnel of the acquired business;
- inability to retain key customers, distributors, vendors and other business partners of the acquired business;
- inability to achieve the financial and strategic goals for the acquired and combined businesses;
- inability to take advantage of anticipated tax benefits as a result of unforeseen difficulties in our integration activities;
- incurring acquisition-related costs or amortization costs for acquired intangible assets that could impact our operating results;
- potential additional exposure to fluctuations in currency exchange rates;
- potential additional costs of bringing acquired companies into compliance with laws and regulations applicable to us as a multi-national corporation;
- potential impairment of our relationships with employees, customers, partners, distributors or third-party providers of our technologies, products or services;
- potential failure of the due diligence processes to identify significant problems, liabilities or other challenges of an acquired company or technology, including but not limited to, issues with the acquired company's intellectual property, product quality or product architecture, data back-up and security (including security from cyber-attacks), privacy practices, revenue recognition or other accounting practices, employee, customer or partner issues or legal and financial contingencies;
- exposure to litigation or other claims in connection with, or inheritance of claims or litigation risk as a result of, an acquisition, including but not limited to claims from terminated employees, customers, former stockholders or other third parties;
- incurring significant exit charges if products or services acquired in business combinations are unsuccessful;
- potential inability to assert that internal controls over financial reporting are effective;
- potential inability to obtain, or obtain in a timely manner, approvals from governmental authorities, which could delay or prevent such acquisitions;
- potential delay in customer and distributor purchasing decisions due to uncertainty about the direction of our product and service offerings; and
- potential incompatibility of business cultures.

Mergers and acquisitions of high technology companies are inherently risky. If we do not complete an announced acquisition transaction or integrate an acquired business successfully and in a timely manner, we may not realize the benefits of the acquisition to the extent anticipated, and in certain circumstances an acquisition could harm our financial position.

***We may incur substantial costs enforcing or acquiring intellectual property rights and defending against third-party claims as a result of litigation or other proceedings.***

In connection with the enforcement of our own intellectual property rights, the acquisition of third-party intellectual property rights, or disputes relating to the validity or alleged infringement of third-party intellectual property rights, including patent rights, we have been, are currently and may in the future be subject to claims, negotiations or complex, protracted litigation. Intellectual property disputes and litigation are typically costly and can be disruptive to our business operations by diverting the attention and energies of management and key technical personnel. Although we have successfully defended or resolved many past lawsuits and other disputes, we may not prevail in the future. Third-party intellectual property disputes, including those initiated by patent assertion entities, could subject us to significant liabilities, require us to enter into royalty and licensing arrangements on unfavorable terms, prevent us from licensing certain of our products or offering certain of our services, subject us to injunctions restricting our sale of products or services, cause severe disruptions to our operations or the markets in which we compete, or require us to satisfy indemnification commitments with our customers, including contractual provisions under various license arrangements and service agreements. In addition, we may incur significant costs in acquiring the necessary third-party intellectual property rights for use in our products, in some cases to fulfill contractual obligations with our customers. Any of these occurrences could significantly harm our business.

***We may not be able to protect our intellectual property rights, including our source code, from third-party infringers or unauthorized copying, use or disclosure.***

Although we vigorously defend our intellectual property rights and attempt to combat unlicensed copying, access and use of software and intellectual property through a variety of techniques, preventing unauthorized use or infringement of our rights is inherently difficult. We actively combat software piracy as we enforce our intellectual property rights, but we nonetheless lose significant revenue due to illegal use of our software. If piracy activities continue at historical levels or increase, they may further harm our business.

Additionally, we take significant measures to protect the secrecy of our confidential information and trade secrets, including our source code. Despite these measures, as we have previously disclosed, hackers have managed to access certain of our source code and may obtain access in the future. If unauthorized disclosure of our source code occurs through security breach, cyber-attack or otherwise, we could potentially lose future trade secret protection for that source code. The loss of future trade secret protection could make it easier for third parties to compete with our products by copying functionality, which could cause us to lose customers and could adversely affect our revenue and operating margins. We also seek to protect our confidential information and trade secrets through the use of non-disclosure agreements with our customers, contractors, vendors and partners. However, there is a risk that our confidential information and trade secrets may be disclosed or published without our authorization, and in these situations enforcing our rights may be difficult or costly.

***Increasing regulatory focus on privacy issues and expanding laws and regulations could impact our new business models and expose us to increased liability.***

Our industry is highly regulated, including for privacy and data security. We are also expanding our business in countries that have more stringent data protection laws than those in the U.S. Privacy laws globally are changing and evolving. Governments, privacy advocates and class action attorneys are increasingly scrutinizing how companies collect, process, use, store, share or transmit personal data. New laws and industry self-regulatory codes have been enacted and more are being considered that may affect our ability to reach current and prospective customers, to understand how our products and services are being used, to respond to customer requests allowed under the laws, and to implement our new business models effectively. These new laws and regulations would similarly affect our competitors as well as our customers. Any perception of our practices or products as an invasion of privacy, whether or not consistent with current regulations and industry practices, may subject us to public criticism, class action lawsuits, reputational harm or claims by regulators, industry groups or other third parties, all of

which could disrupt our business and expose us to increased liability. Additionally, both laws regulating privacy, as well as third-party products addressing perceived privacy concerns, could affect the functionality of and demand for our products, thereby harming our revenues.

On behalf of certain customers, we collect and store anonymous and personal information derived from the activities of end users with various channels, including traditional websites, mobile websites and applications, email interactions, direct mail, point of sale, text messaging and call centers (collectively, “channels”). This enables us to provide such customers with reports on aggregated anonymous or personal information from and about end-user interactions with various channels in the manner specifically directed by each such individual customer. Federal, state and foreign governments and agencies have adopted or are considering adopting laws regarding the collection, use and disclosure of this information. Our compliance with privacy laws and regulations and our reputation among the public body of end users depend in part on such customers’ adherence to privacy laws and regulations and their use of our services in ways consistent with such end users’ expectations. We also rely on representations made to us by customers that their own use of our services and the information they provide to us via our services do not violate any applicable privacy laws, rules and regulations or their own privacy policies. We ask customers to represent to us that they provide their end users the opportunity to “opt-out” of the information collection associated with our services, as applicable. We do not formally audit such customers to confirm compliance with these representations. If these representations are false or if such customers do not otherwise comply with applicable privacy laws, we could face adverse publicity and possible legal or other regulatory action. In addition, some countries are considering enacting laws that would expand the scope of privacy-related obligations required of service providers, such as Adobe, that would require additional compliance expense and increased liability.

***If we fail to process transactions effectively our revenue and earnings may be harmed.***

We process a significant volume of transactions on a daily basis in both our Digital Marketing and Digital Media businesses. Due to the size and volume of transactions that we handle, effective processing systems and controls are essential; but even the most sophisticated systems and processes may not be effective in preventing all errors. The systems supporting our business are comprised of multiple technology platforms that may be difficult to scale. If we are unable to effectively manage these systems and processes, we may be unable to process customer data in an accurate, reliable and timely manner, which may harm our customer relationships or results of operations.

***Failure to manage our sales and distribution channels and third-party customer service and technical support providers effectively could result in a loss of revenue and harm to our business.***

We contract with a number of software distributors, none of which is individually responsible for a material amount of our total net revenue for any recent period. If any single agreement with one of our distributors were terminated, we believe we could make arrangements with new or existing distributors to distribute our products without a substantial disruption to our business; however, any prolonged delay in securing a replacement distributor could have a negative short-term impact on our results of operations.

Successfully managing our indirect channel efforts to reach various customer segments for our products and services is a complex process across the broad range of geographies where we do business or plan to do business. Our distributors and other channel partners are independent businesses that we do not control. Notwithstanding the independence of our channel partners, we face potential legal risk and reputational harm from the activities of these third parties including, but not limited to, export control violations, workplace conditions, corruption and anti-competitive behavior. Although we have undertaken efforts to reduce these third-party risks, they remain present. We cannot be certain that our distribution channel will continue to market or sell our products effectively. If our distribution channel is not successful, we may lose sales opportunities, customers and revenues.

Our distributors also sell our competitors’ products, and if they favor our competitors’ products for any reason, they may fail to market our products as effectively or to devote resources necessary to provide effective sales, which would cause our results to suffer. We also distribute some products through our

OEM channel, and if our OEMs decide not to bundle our applications on their devices, our results could suffer.

In addition, the financial health of our distributors and our continuing relationships with them are important to our success. Some of these distributors may be adversely impacted by changes to our business model or unable to withstand adverse changes in economic conditions, which could result in insolvency and/or the inability of such distributors to obtain credit to finance purchases of our products. In addition, weakness in the end-user market could negatively affect the cash flows of our distributors who could, in turn, delay paying their obligations to us, which would increase our credit risk exposure. Our business could be harmed if the financial condition of some of these distributors substantially weakened and we were unable to timely secure replacement distributors.

We also sell certain of our products and services through our direct sales force. Risks associated with this sales channel include longer sales and collection cycles associated with direct sales efforts, challenges related to hiring, retaining and motivating our direct sales force, and substantial amounts of training for sales representatives, including regular updates to cover new and upgraded systems, products and services. Moreover, recent hires may not become as productive as we would like, as in most cases it takes a significant period of time before they achieve full productivity. Our business could be seriously harmed if these expansion efforts do not generate a corresponding significant increase in revenues and we are unable to achieve the efficiencies we anticipate. In addition, the loss of key sales employees could impact our customer relationships and future ability to sell to certain accounts covered by such employees.

We also provide products and services, directly and indirectly, to a variety of governmental entities, both domestically and internationally. Risks associated with licensing and selling products and services to governmental entities include longer sales cycles, varying governmental budgeting processes and adherence to complex procurement regulations and other government-specific contractual requirements. Ineffectively managing these risks could result in various civil and criminal penalties and administrative sanctions, including termination of contracts, payment of fines, and suspension or debarment from future government business, as well as harm to our reputation.

We outsource a substantial portion of our customer service and technical support activities to third-party service providers. We rely heavily on these third-party customer service and technical support representatives working on our behalf, and we expect to continue to rely heavily on third parties in the future. This strategy provides us with lower operating costs and greater flexibility, but also presents risks to our business due to the fact that we may not be able to influence the quality of support as directly as we would be able to do if our own employees performed these activities. Our customers may react negatively to providing information to, and receiving support from, third-party organizations, especially if based overseas. If we encounter problems with our third-party customer service and technical support providers, our reputation may be harmed and we could lose customers and associated revenues.

***Certain of our enterprise offerings have long and complex sales cycles.***

Sales cycles for some of our enterprise offerings, including our Adobe Marketing Cloud Solutions and ETLAs in our Digital Media business, are long and complex. The complexity in these sales cycles is due to a number of factors, including:

- the need for our sales representatives to educate customers about the use and benefit of our large-scale deployments of our products and services, including technical capabilities, security features, potential cost savings and return on investment;
- the desire of large and medium size organizations to undertake significant evaluation processes to determine their technology requirements prior to making information technology expenditures;

- the need for our representatives to spend a significant amount of time assisting potential customers in their testing and evaluation of our products and services;
- the negotiation of large, complex, enterprise-wide contracts, as often required by our and our customers' business and legal representatives;
- the need for our customers to obtain requisition approvals from various decision makers within their organizations; and
- customer budget constraints, economic conditions and unplanned administrative delays.

We spend substantial time and expense on our sales efforts without any assurance that potential customers will ultimately purchase our solutions. As we target our sales efforts at larger enterprise customers, these trends are expected to continue. Additionally, our enterprise sales pattern has historically been uneven, where a higher percentage of a quarter's total sales occur during the final weeks of each quarter, which is common in our industry. Our long sales cycle for these products makes it difficult to predict when a given sales cycle will close.

***Catastrophic events may disrupt our business.***

We are a highly automated business and rely on our network infrastructure and enterprise applications, internal technology systems and our website for our development, marketing, operational, support, hosted services and sales activities. In addition, some of our businesses rely on third-party hosted services, and we do not control the operation of third-party data center facilities serving our customers from around the world, which increases our vulnerability. A disruption, infiltration or failure of these systems or third-party hosted services in the event of a major earthquake, fire, flood, power loss, telecommunications failure, software or hardware malfunctions, cyber-attack, war, terrorist attack or other catastrophic event could cause system interruptions, reputational harm, loss of intellectual property, delays in our product development, lengthy interruptions in our services, breaches of data security and loss of critical data. Any of these events could prevent us from fulfilling our customers' orders. Our corporate headquarters, a significant portion of our research and development activities, certain of our data centers and certain other critical business operations are located in the San Francisco Bay Area, and additional facilities where we conduct significant operations are located in the Salt Lake Valley Area, both of which are near major earthquake faults. We have developed certain disaster recovery plans and backup systems to reduce the potentially adverse effect of such events, but a catastrophic event that results in the destruction or disruption of any of our data centers or our critical business or information technology systems could severely affect our ability to conduct normal business operations and, as a result, our future operating results could be adversely affected.

***Net revenue, margin or earnings shortfalls or the volatility of the market generally may cause the market price of our stock to decline.***

The market price for our Shares has in the past experienced significant fluctuations and may fluctuate significantly in the future. A number of factors may affect the market price for our Shares, including:

- shortfalls in our revenue, margins, earnings, the number of paid Creative Cloud subscribers, Annualized Recurring Revenue, bookings within our Adobe Marketing Cloud business or other key performance metrics;
- changes in estimates or recommendations by securities analysts;
- the announcement of new products, product enhancements or service introductions by us or our competitors;

- the loss of a large customer or our inability to increase sales to existing customers or attract new customers;
- variations in our or our competitors' results of operations, changes in the competitive landscape generally and developments in our industry; and
- unusual events such as significant acquisitions, divestitures, litigation, general socio-economic, regulatory, political or market conditions and other factors, including factors unrelated to our operating performance.

***We are subject to risks associated with compliance with laws and regulations globally which may harm our business.***

We are a global company subject to varied and complex laws, regulations and customs domestically and internationally. These laws and regulations relate to a number of aspects of our business, including trade protection, import and export control, data and transaction processing security, payment card industry data security standards, records management, user-generated content hosted on websites we operate, privacy practices, corporate governance, employee and third-party complaints, gift policies, conflicts of interest, employment and labor relations laws, securities regulations and other regulatory requirements affecting trade and investment. The application of these laws and regulations to our business is often unclear and may at times conflict. Compliance with these laws and regulations may involve significant costs or require changes in our business practices that result in reduced revenue and profitability. Non-compliance could also result in fines, damages, criminal sanctions against us, our officers or our employees, prohibitions on the conduct of our business, and damage to our reputation. We incur additional legal compliance costs associated with our global operations and could become subject to legal penalties if we fail to comply with local laws and regulations in U.S. jurisdictions or in foreign countries, which laws and regulations may be substantially different from those in the U.S. In many foreign countries, particularly in those with developing economies, it is common to engage in business practices that are prohibited by U.S. regulations applicable to us, including the Foreign Corrupt Practices Act. Although we implement policies and procedures designed to ensure compliance with these laws, there can be no assurance that all of our employees, contractors and agents, as well as those companies to which we outsource certain of our business operations, including those based in or from countries where practices that violate such U.S. laws may be customary, will not take actions in violation of our internal policies. Any such violation, even if prohibited by our internal policies, could have an adverse effect on our business.

***We face various risks associated with our operating as a multi-national corporation.***

As a global business that generates approximately 42% of our total revenue from sales to customers outside of the Americas, we are subject to a number of risks, including:

- foreign currency fluctuations;
- changes in government preferences for software procurement;
- international economic, political and labor conditions;
- tax laws (including U.S. taxes on foreign subsidiaries);
- increased financial accounting and reporting burdens and complexities;
- unexpected changes in, or impositions of, legislative or regulatory requirements;
- changes in laws governing the free flow of data across international borders;

- failure of laws to protect our intellectual property rights adequately;
- inadequate local infrastructure and difficulties in managing and staffing international operations;
- delays resulting from difficulty in obtaining export licenses for certain technology, tariffs, quotas and other trade barriers;
- the imposition of governmental economic sanctions on countries in which we do business or where we plan to expand our business;
- transportation delays;
- operating in locations with a higher incidence of corruption and fraudulent business practices; and
- other factors beyond our control, including terrorism, war, natural disasters and pandemics.

If sales to any of our customers outside of the Americas are delayed or canceled because of any of the above factors, our revenues may decline.

In addition, approximately 52% of our employees are located outside the U.S. Accordingly, we are exposed to changes in laws governing our employee relationships in various U.S. and foreign jurisdictions, including laws and regulations regarding wage and hour requirements, fair labor standards, employee data privacy, unemployment tax rates, workers' compensation rates, citizenship requirements and payroll and other taxes, which likely would have a direct impact on our operating costs. We may continue to expand our international operations and international sales and marketing activities. Expansion in international markets has required, and will continue to require, significant management attention and resources. We may be unable to scale our infrastructure effectively or as quickly as our competitors in these markets, and our revenues may not increase to offset these expected increases in costs and operating expenses, which would cause our results to suffer.

***We may incur losses associated with currency fluctuations and may not be able to effectively hedge our exposure.***

Our operating results are subject to fluctuations in foreign currency exchange rates. We attempt to mitigate a portion of these risks through foreign currency hedging, based on our judgment of the appropriate trade-offs among risk, opportunity and expense. We have established a hedging program to partially hedge our exposure to foreign currency exchange rate fluctuations for various currencies. We regularly review our hedging program and make adjustments as necessary based on the factors discussed above. Our hedging activities may not offset more than a portion of the adverse financial impact resulting from unfavorable movement in foreign currency exchange rates, which could adversely affect our financial condition or results of operations.

***We have issued \$1.9 billion of notes in a debt offering and may incur other debt in the future, which may adversely affect our financial condition and future financial results.***

We have \$1.9 billion in senior unsecured notes outstanding. We also have a \$1.0 billion revolving credit facility, which is currently undrawn. This debt may adversely affect our financial condition and future financial results by, among other things:

- requiring the dedication of a portion of our expected cash from operations to service our indebtedness, thereby reducing the amount of expected cash flow available for other purposes, including capital expenditures and acquisitions; and
- limiting our flexibility in planning for, or reacting to, changes in our business and our industry.

Our senior unsecured notes and revolving credit facility impose restrictions on us and require us to maintain compliance with specified covenants. Our ability to comply with these covenants may be affected by events beyond our control. If we breach any of the covenants and do not obtain a waiver from the lenders or noteholders, then, subject to applicable cure periods, any outstanding indebtedness may be declared immediately due and payable.

In addition, changes by any rating agency to our credit rating may negatively impact the value and liquidity of both our debt and equity securities, as well as the potential costs associated with a refinancing of our debt. Under certain circumstances, if our credit ratings are downgraded or other negative action is taken, the interest rate payable by us under our revolving credit facility could increase. Downgrades in our credit ratings could also restrict our ability to obtain additional financing in the future and could affect the terms of any such financing.

***Changes in, or interpretations of, accounting principles could have a significant impact on our financial position and results of operations.***

We prepare our Consolidated Financial Statements in accordance with U.S. GAAP. These principles are subject to interpretation by the SEC and various bodies formed to interpret and create appropriate accounting principles. A change in these principles can have a significant effect on our reported results and may even retroactively affect previously reported transactions. Additionally, the adoption of new or revised accounting principles may require that we make significant changes to our systems, processes and controls.

For example, the U.S.-based Financial Accounting Standards Board (“FASB”) is currently working together with the International Accounting Standards Board (“IASB”) on several projects to further align accounting principles and facilitate more comparable financial reporting between companies who are required to follow U.S. GAAP under SEC regulations and those who are required to follow International Financial Reporting Standards outside of the U.S. These efforts by the FASB and IASB may result in different accounting principles under U.S. GAAP that may result in materially different financial results for us in areas including, but not limited to, principles for recognizing revenue and lease accounting. Additionally, significant changes to U.S. GAAP resulting from the FASB's and IASB's efforts may require that we change how we process, analyze and report financial information and that we change financial reporting controls.

***If our goodwill or amortizable intangible assets become impaired we could be required to record a significant charge to earnings.***

Under U.S. GAAP, we review our goodwill and amortizable intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. U.S. GAAP requires us to test for goodwill impairment at least annually. Factors that may be considered a change in circumstances indicating that the carrying value of our goodwill or amortizable intangible assets may not be recoverable include declines in stock price, market capitalization or cash flows and slower growth rates in our industry. We could be required to record a significant charge to earnings in our financial statements during the period in which any impairment of our goodwill or amortizable intangible assets were determined, negatively impacting our results of operations.

***Changes in, or interpretations of, tax rules and regulations may adversely affect our effective tax rates.***

We are a United States-based multinational company subject to tax in multiple U.S. and foreign tax jurisdictions. A significant portion of our foreign earnings for the current fiscal year were earned by our Irish subsidiaries. In addition to providing for U.S. income taxes on earnings from the United States, we provide for U.S. income taxes on the earnings of foreign subsidiaries unless the subsidiaries' earnings are considered permanently reinvested outside the United States. While we do not anticipate changing our intention regarding permanently reinvested earnings, if certain foreign earnings previously treated as



permanently reinvested are repatriated, the related U.S. tax liability may be reduced by any foreign income taxes paid on these earnings.

Our income tax expense has differed from the tax computed at the U.S. federal statutory income tax rate due primarily to discrete items and to earnings considered as permanently reinvested in foreign operations. Unanticipated changes in our tax rates could affect our future results of operations. Our future effective tax rates could be unfavorably affected by changes in the tax rates in jurisdictions where our income is earned, by changes in, or our interpretation of, tax rules and regulations in the jurisdictions in which we do business, by unanticipated decreases in the amount of earnings in countries with low statutory tax rates, by lapses of the availability of the U.S. research and development tax credit, or by changes in the valuation of our deferred tax assets and liabilities. The United States, countries in the European Union and other countries where we do business have been considering changes in relevant tax, accounting and other laws, regulations and interpretations, including changes to tax laws applicable to corporate multinationals such as Adobe. These potential changes could adversely affect our effective tax rates or result in other costs to us.

In addition, we are subject to the continual examination of our income tax returns by the U.S. Internal Revenue Service (“IRS”) and other domestic and foreign tax authorities, including a current examination by the IRS of our fiscal 2010, 2011 and 2012 tax returns. These tax examinations are expected to focus on our intercompany transfer pricing practices as well as other matters. We regularly assess the likelihood of outcomes resulting from these examinations to determine the adequacy of our provision for income taxes and have reserved for potential adjustments that may result from the current examinations. There can be no assurance that the final determination of any of these examinations will not have an adverse effect on our operating results and financial position.

***If we are unable to recruit and retain key personnel our business may be harmed.***

Much of our future success depends on the continued service and availability of our senior management. These individuals have acquired specialized knowledge and skills with respect to Adobe. The loss of any of these individuals could harm our business, especially in the event that we have not been successful in developing adequate succession plans. Our business is also dependent on our ability to retain, hire and motivate talented, highly skilled personnel across all levels of our organization. Experienced personnel in the information technology industry are in high demand and competition for their talents is intense in many areas where our employees are located. If we are unable to continue to successfully attract and retain key personnel, our business may be harmed. Effective succession planning is also a key factor for our long-term success. Our failure to enable the effective transfer of knowledge and facilitate smooth transitions of our key employees could adversely affect our long-term strategic planning and execution.

We believe that a critical contributor to our success to date has been our corporate culture, which we have built to foster innovation, teamwork and employee satisfaction. As we grow, including from the integration of employees and businesses acquired in connection with previous or future acquisitions, we may find it difficult to maintain important aspects of our corporate culture, which could negatively affect our ability to retain and recruit personnel who are essential to our future success.

***Our investment portfolio may become impaired by deterioration of the capital markets.***

Our cash equivalent and short-term investment portfolio as of February 27, 2015 consisted of corporate bonds and commercial paper, U.S. agency securities and U.S. Treasury securities, money market mutual funds, municipal securities, time deposits and asset-backed securities. We follow an established investment policy and set of guidelines to monitor and help mitigate our exposure to interest rate and credit risk. The policy sets forth credit quality standards and limits our exposure to any one issuer, as well as our maximum exposure to various asset classes.

Should financial market conditions worsen in the future, investments in some financial instruments may pose risks arising from market liquidity and credit concerns. In addition, any deterioration of the capital markets could cause our other income and expense to vary from expectations. As of February 27, 2015,

we had no material impairment charges associated with our short-term investment portfolio, and although we believe our current investment portfolio has little risk of material impairment, we cannot predict future market conditions or market liquidity, or credit availability, and can provide no assurance that our investment portfolio will remain materially unimpaired.

## II. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

All market risk sensitive instruments were entered into for non-trading purposes. The information below is excerpted from Adobe's Form 10-K. Adobe believes that there have been no significant changes in its market risk exposures for the three months ended February 27, 2015.

### 2.1 Foreign Currency Risk

#### *Foreign Currency Exposures and Hedging Instruments*

In countries outside the U.S., we transact business in U.S. Dollars and various other currencies which subject us to exposure from movements in exchange rates. We may use foreign exchange purchased options or forward contracts to hedge our foreign currency revenue denominated in Euro, British Pounds and Yen. Additionally, we hedge our net recognized foreign currency assets and liabilities with foreign exchange forward contracts. We hedge these exposures to reduce the risk that our earnings and cash flows will be adversely affected by changes in exchange rates.

Our revenue exposures for fiscal 2014, 2013 and 2012 were as follows (in millions, except Yen):

	Fiscal 2014		Fiscal 2013		Fiscal 2012	
Euro	€	455.5	€	434.7	€	530.7
Yen (in billions)	¥	28	¥	32.5	¥	34.8
British Pounds	£	159.1	£	145.3	£	145.1

As of November 28, 2014, the total absolute value of all outstanding foreign exchange contracts, including options and forwards, was \$672.9 million which included the notional equivalent of \$359.5 million in Euros, \$104.7 million in British Pounds, \$159.5 million in Yen and \$49.2 million in other foreign currencies. As of November 28, 2014, all contracts were set to expire at various dates through June 2015. The bank counterparties in these contracts expose us to credit-related losses in the event of their nonperformance. However, to mitigate that risk, we only contract with counterparties who meet our minimum requirements under our counterparty risk assessment process. In addition, our hedging policy establishes maximum limits for each counterparty.

A sensitivity analysis was performed on all of our foreign exchange derivatives as of November 28, 2014. This sensitivity analysis measures the hypothetical market value resulting from a 10% shift in the value of exchange rates relative to the U.S. Dollar. For option contracts, the Black-Scholes option pricing model was used. A 10% increase in the value of the U.S. Dollar and a corresponding decrease in the value of the hedged foreign currency asset would lead to an increase in the fair value of our financial hedging instruments by \$40.9 million. Conversely, a 10% decrease in the value of the U.S. Dollar would result in a decrease in the fair value of these financial instruments by \$28.9 million.

As a general rule, we do not use foreign exchange contracts to hedge local currency denominated operating expenses in countries where a natural hedge exists. For example, in many countries, revenue in the local currencies substantially offsets the local currency denominated operating expenses.

We also have long-term investment exposures consisting of the capitalization and retained earnings in our non-U.S. Dollar functional currency foreign subsidiaries. As of November 28, 2014 and November 29,

2013, this long-term investment exposure totaled a notional equivalent of \$161.7 million and \$355.6 million, respectively. At this time, we do not hedge these long-term investment exposures.

We do not use foreign exchange contracts for speculative trading purposes, nor do we hedge our foreign currency exposure in a manner that entirely offsets the effects of changes in foreign exchange rates. We regularly review our hedging program and assess the need to utilize financial instruments to hedge currency exposures on an ongoing basis.

### ***Economic Hedging—Hedges of Forecasted Transactions***

We may use foreign exchange purchased options or forward contracts to hedge foreign currency revenue denominated in Euros, British Pounds and Yen. We hedge these cash flow exposures to reduce the risk that our earnings and cash flows will be adversely affected by changes in exchange rates. These foreign exchange contracts, carried at fair value, may have maturities between one and twelve months. We enter into these foreign exchange contracts to hedge forecasted revenue in the normal course of business and accordingly, they are not speculative in nature.

We record changes in the intrinsic value of these cash flow hedges in accumulated other comprehensive income, until the forecasted transaction occurs. When the forecasted transaction occurs, we reclassify the related gain or loss on the cash flow hedge to revenue. In the event the underlying forecasted transaction does not occur, or it becomes probable that it will not occur, we reclassify the gain or loss on the related cash flow hedge from accumulated other comprehensive income to interest and other income, net on our Consolidated Statements of Income at that time. For the fiscal year ended November 28, 2014, net gains or losses recognized in other income relating to hedges of forecasted transactions that did not occur were insignificant.

See Note 5 of our Notes to Consolidated Financial Statements in Adobe's Form 10-K for information regarding our hedging activities.

### ***Balance Sheet Hedging—Hedging of Foreign Currency Assets and Liabilities***

We hedge exposures related to our net recognized foreign currency assets and liabilities with foreign exchange forward contracts to reduce the risk that our earnings and cash flows will be adversely affected by changes in foreign currency exchange rates. These foreign exchange contracts are carried at fair value with changes in the fair value recorded as interest and other income, net. These foreign exchange contracts do not subject us to material balance sheet risk due to exchange rate movements because gains and losses on these contracts are intended to offset gains and losses on the assets and liabilities being hedged. At November 28, 2014, the outstanding balance sheet hedging derivatives had maturities of 180 days or less.

See Note 5 of our Notes to Consolidated Financial Statements in Adobe's Form 10-K for information regarding our hedging activities.

## **2.2 Interest Rate Risk**

### ***Short-Term Investments and Fixed Income Securities***

At November 28, 2014, we had debt securities classified as short-term investments of \$2.6 billion. Changes in interest rates could adversely affect the market value of these investments. The following table separates these investments, based on stated maturities, to show the approximate exposure to interest rates (in millions):

Due within one year	\$	607.2
Due within two years		904.9

Due within three years	834.2
Due after three years	275.3
Total	<u>\$ 2,621.6</u>

A sensitivity analysis was performed on our investment portfolio as of November 28, 2014. The analysis is based on an estimate of the hypothetical changes in market value of the portfolio that would result from an immediate parallel shift in the yield curve of various magnitudes.

The following tables present the hypothetical fair values of our debt securities classified as short-term investments assuming immediate parallel shifts in the yield curve of 50 basis points (“BPS”), 100 BPS and 150 BPS. The analysis is shown as of November 28, 2014 and November 29, 2013 (dollars in millions):

-150 BPS	-100 BPS	-50 BPS	Fair Value 11/28/14	+50 BPS	+100 BPS	+150 BPS
2,663.3	2,656.3	2,641.9	2,621.6	2,599.8	2,578.0	2,556.2

  

-150 BPS	-100 BPS	-50 BPS	Fair Value 11/29/13	+50 BPS	+100 BPS	+150 BPS
2,363.7	2,360.9	2,353.8	2,338.5	2,320.5	2,302.5	2,284.5

### **Senior Notes**

As of November 28, 2014, the amount outstanding under our senior notes was \$1.5 billion, consisting of \$600 million of 3.25% senior notes due February 1, 2015 (the “2015 Notes”) and \$900 million of 4.75% senior notes due February 1, 2020 (the “2020 Notes”) and, together with the 2015 Notes, the “Notes”). In June 2014, we entered into interest rate swaps that effectively converted the fixed interest rate on our 2020 Notes to a floating interest rate based on the LIBOR plus a fixed number of basis points through February 1, 2020. Accordingly, our exposure to fluctuations in market interest rates is on the hedged fixed-rate debt of \$900 million. An immediate hypothetical 50 basis points increase or decrease in market interest rates would not have a significant impact on our results of operations.

As of November 28, 2014, the total carrying amount of the Notes was \$1.5 billion and the related fair value based on inactive market prices was \$1.6 billion.

## **2.3 Other Market Risk**

### **Privately Held Long-Term Investments**

The privately held companies in which we invest can still be considered in the start-up or development stages which are inherently risky. The technologies or products these companies have under development are typically in the early stages and may never materialize, which could result in a loss of a substantial part of our initial investment in these companies. The evaluation of privately held companies is based on information that we request from these companies, which is not subject to the same disclosure regulations as U.S. publicly traded companies, and as such, the basis for these evaluations is subject to the timing and accuracy of the data received from these companies.

### **Marketable Equity Securities**

We have minimal exposure to equity price risk on our portfolio of marketable equity securities. As of November 28, 2014 and November 29, 2013, our total equity holdings in publicly traded companies were insignificant.

**SECTION B — SUPPLEMENTAL INFORMATION CONCERNING THE ESPP****I. THE OUTLINE****1.1 Purpose of the ESPP**

The purpose of the ESPP is to provide eligible employees of the Company and its subsidiaries designated by the Board to participate in the ESPP with an opportunity to acquire a proprietary interest in the Company through the purchase of Shares. The ESPP was initially approved by Adobe's stockholders at the stockholders' meeting held on April 9, 1997, was most recently amended by the Board on February 28, 2011 and was most recently amended by stockholders on April 21, 2011.

**1.2 Shares Offered Under the ESPP**

A total of 93 million Shares are reserved for issuance under the ESPP, following the approval by Adobe's stockholders on April 21, 2011, of an amendment to the ESPP to increase the Shares available from 76 million to 93 million. As of May 1, 2015, 12,185,364 Shares remain available for future issuance, representing approximately 2.4% of the 500,269,100 Shares outstanding as of March 20, 2015. Such number is subject to adjustments effected in accordance with the ESPP. Each Share has a par value of \$0.0001.

Except as provided in the ESPP, on the Offering Date of each Offering Period, each Participating Employee in such Offering Period shall be granted automatically a purchase right consisting of an option to purchase five thousand (5,000) Shares. No purchase right will be granted on an Offering Date to any person who is not, on such Offering Date, an eligible employee. Notwithstanding any provision of the ESPP to the contrary, no purchase right will entitle a Participating Employee to purchase Shares under the ESPP at a rate which, when aggregated with such Participating Employee's rights to purchase Shares under all other employee stock purchase plans of a participating company intended to meet the requirements of Section 423 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), exceeds \$25,000 in Fair Market Value (or such other limit, if any, as may be imposed by the Code) for each calendar year in which such purchase right has been outstanding at any time. For purposes of the preceding sentence, the Fair Market Value of Shares purchased during a given Offering Period will be determined as of the Offering Date for such Offering Period.

In the event of any stock dividend, stock split, reverse stock split, recapitalization, combination, reclassification or similar change in the capital structure of the Company, or in the event of any merger (including a merger effected for the purpose of changing the Company's domicile), sale of assets or other reorganization in which the Company is a party, appropriate adjustments will be made in the number and class of shares subject to the ESPP and each purchase right and in the Purchase Price. If a majority of the shares which are of the same class as the shares that are subject to outstanding purchase rights are exchanged for, converted into, or otherwise become shares of another corporation (the "New Shares"), the Board may unilaterally amend the outstanding purchase rights to provide that such purchase rights are exercisable for New Shares. In the event of any such amendment, the number of shares subject to, and the Purchase Price of, the outstanding purchase rights will be adjusted in a fair and equitable manner, as determined by the Board, in its sole discretion. Notwithstanding the foregoing, any fractional share resulting from an adjustment will be rounded down to the nearest whole number, and in no event may the Purchase Price be decreased to an amount less than the par value, if any, of the stock subject to the purchase right. The adjustments determined by the Board will be final, binding and conclusive.

**1.3 Purchase Period**

The ESPP is comprised of Offering Periods of approximately twenty-four (24) months duration or such other duration as the Board determines. Offering Periods commence on or about January 1 and July 1 of each year and end on or about the second December 31 and June 30, respectively, occurring thereafter.

If the first or last day of an Offering Period is not a day on which the national securities exchanges or NASDAQ are open for trading, the Company will specify the trading day that will be deemed the first or last day, as the case may be, of the Offering Period.

Each Offering Period consists of four (4) consecutive Purchase Periods of approximately six (6) months duration, or such other number or duration as the Board determines. A Purchase Period commencing on or about January 1 will end on or about the next June 30. A Purchase Period commencing on or about July 1 will end on or about the next December 31. If the first or last day of a Purchase Period is not a day on which the national securities exchanges or NASDAQ are open for trading, the Company will specify the trading day that will be deemed the first or last day, as the case may be, of the Purchase Period.

#### **1.4 Purchase Price**

The Purchase Price at which each Share may be acquired in an Offering Period upon the exercise of all or any portion of a purchase right will be established by the Board; provided, however, that the Purchase Price will not be less than eighty-five percent (85%) of the lesser of (a) the Fair Market Value of a Share on the first business day of the 24-month Offering Period or (b) the Fair Market Value of a Share on each purchase date within a 24-month Offering Period.

#### **1.5 Purchase of Shares**

On each Purchase Date of an Offering Period, each Participating Employee who has not withdrawn from the ESPP and whose participation in the offering has not terminated before such Purchase Date, will automatically acquire pursuant to the exercise of the Participating Employee's purchase right the number of whole Shares determined by dividing (a) the total amount of the Participating Employee's payroll deductions accumulated in the Participating Employee's ESPP account during the Offering Period and not previously applied toward the purchase of Shares by (b) the Purchase Price. However, in no event will the number of Shares purchased by the Participating Employee during an Offering Period exceed the number of Shares subject to the Participating Employee's purchase right. No Shares will be purchased on a Purchase Date on behalf of a Participating Employee whose participation in the Offering or the Plan has terminated before such Purchase Date.

Any cash balance remaining in a Participating Employee's ESPP account following any Purchase Date will be refunded to the Participating Employee as soon as practicable after such Purchase Date. However, if the cash to be returned to a Participating Employee is an amount less than the amount that would have been necessary to purchase an additional whole Share on such Purchase Date, the Company may retain such amount in the Participating Employee's ESPP account to be applied toward the purchase of Shares in the subsequent Purchase Period or Offering Period, as the case may be.

#### **1.6 Term of the ESPP**

The ESPP will continue in effect until the earlier of its termination by the Board or the date on which all of the Shares available for issuance under the ESPP have been issued.

#### **1.7 Termination or Amendment of the ESPP**

The Board may at any time amend or terminate the ESPP, except that (a) such termination should not affect purchase rights previously granted under the ESPP, except as permitted under the ESPP, and (b) no amendment may adversely affect a purchase right previously granted under the ESPP (except to the extent permitted by the ESPP or as may be necessary to qualify the ESPP as an employee stock purchase plan pursuant to the Code or to obtain qualification or registration of the Shares under applicable foreign, federal or state securities laws). In addition, an amendment to the ESPP must be approved by the stockholders of the Company within twelve (12) months of the adoption of such amendment if the amendment would authorize the sale of more Shares than are authorized for issuance

under the ESPP or would change the definition of the corporations that may be designated by the Board as Participating Companies.

## **II. ELIGIBILITY**

### **2.1 Eligible Employees**

The Board designates from among the subsidiaries, as determined from time to time, the subsidiary or subsidiaries whose employees will be eligible to participate in the ESPP. The Board has the sole and absolute discretion in determining which subsidiaries or affiliates will be Participating Companies.

Each employee of a Participating Company is eligible to participate in the ESPP and will be deemed an eligible employee, except the Board, in its discretion, may exclude employees who own stock or hold options to purchase stock possessing five (5) percent or more of the total combined voting power or value of all classes of stock of the Company or any of its subsidiaries.

Under the ESPP, an eligible employee is any employee of the Company or a Participating Company, except an employee who is customarily employed by the Participating Company Group for 20 hours or less per week or for not more than five months in a calendar year. Notwithstanding the foregoing, employees of a Participating Company may be Participating Employees even if their customary employment is less than the aforementioned requirements, to the extent required by local law.

### **2.2 Participation of Eligible Employees**

An eligible employee may become a Participating Employee in an Offering Period by delivering a properly completed subscription agreement to the office designated by the Company not later than the Subscription Date. An eligible employee who does not deliver a properly completed subscription agreement to the Company's designated office on or before the Subscription Date for an Offering Period shall not participate in the ESPP for that Offering Period or for any subsequent Offering Period unless the eligible employee subsequently delivers a properly completed subscription agreement to the appropriate office of the Company on or before the Subscription Date for such subsequent Offering Period. An employee who becomes an eligible employee on or after the Offering Date of an Offering Period will not be eligible to participate in such Offering Period but may participate in any subsequent Offering Period provided such employee is still an eligible employee as of the Offering Date of such subsequent Offering Period.

A Participating Employee will automatically participate in the next Offering Period commencing immediately after the final Purchase Date of each Offering Period in which the Participating Employee participates provided that such Participating Employee remains an eligible employee on the Offering Date of the new Offering Period and has not either (a) withdrawn from the ESPP or (b) terminated employment. A Participating Employee who may automatically participate in a subsequent Offering Period is not required to deliver any additional subscription agreement for the subsequent Offering Period in order to continue participation in the ESPP. However, a Participating Employee may deliver a new subscription agreement for a subsequent Offering Period if the Participant desires to change any of the elections contained in the Participating Employee's then effective subscription agreement. Eligible employees may not participate simultaneously in more than one Offering.

In the event that the Fair Market Value of the Shares on a new Purchase Date is less than the Fair Market Value of the Shares on the previous Offering Date, the Participating Employee will be automatically withdrawn from the Offering Period and re-enrolled in the new Offering Period. The Participating Employee acknowledges that in the event of such re-enrollment, the Fair Market Value of the Shares on the new Offering Date may be higher than that on the previous Offering Date (as the result of an increase in the Fair Market Value of the Shares between the Purchase Date and the Offering Date the next trading day). The Participating Employee may withdraw from the ESPP as described below.

### 2.3 Payroll Deductions

Shares acquired pursuant to the exercise of all or any portion of a purchase right may be paid for only by means of payroll deductions from the Participating Employee's compensation accumulated during the Offering Period for which such purchase right was granted (however, if local law outside the U.S. does not permit payroll deductions, the Board may modify the procedure for the payment of the Purchase Price to conform to such laws).

Except as otherwise provided in the ESPP, the amount to be deducted under the ESPP from a Participating Employee's compensation on each payday during an Offering Period will be determined by the Participating Employee's subscription agreement. The subscription agreement will set forth the percentage of the Participating Employee's compensation to be deducted on each payday during an Offering Period in whole percentages of not less than one percent (1%) (except as a result of an election to stop payroll deductions made effective following the first payday during an offering) or more than twenty-five percent (25%).

Payroll deductions commence on the first payday following the Offering Date and continue to the end of the Offering Period unless sooner altered or terminated. During an Offering Period, a Participating Employee may elect to decrease the rate of or to stop deductions from his or her compensation by delivering to the Company's designated office an amended subscription agreement authorizing such change on or before the "Change Notice Date." The "Change Notice Date" will be a date prior to the beginning of the first pay period for which such election is to be effective as established by the Company from time to time and announced to the Participating Employees. A Participating Employee who elects to decrease the rate of his or her payroll deductions to zero percent (0%) will nevertheless remain a Participating Employee in the current Offering Period unless such Participant withdraws from the ESPP.

### 2.4 Discontinuance of Participation of Participating Employees

A Participating Employee may withdraw from the ESPP by signing and delivering to the Company's designated office a written notice of withdrawal on a form provided by the Company for such purpose. Such withdrawal may be elected at any time prior to the end of an Offering Period; provided, however, if a Participating Employee withdraws from the ESPP after the Purchase Date of a Purchase Period, the withdrawal will not affect Shares acquired by the Participating Employee on such Purchase Date. A Participating Employee who voluntarily withdraws from the ESPP is prohibited from resuming participation in the ESPP in the same offering from which he or she withdrew, but may participate in any subsequent offering by again satisfying the requirements of eligibility and enrolling in the ESPP. The Company may impose, from time to time, a requirement that the notice of withdrawal from the ESPP be on file with the Company's designated office for a reasonable period prior to the effectiveness of the Participating Employee's withdrawal.

Upon a Participating Employee's voluntary withdrawal from the ESPP or automatic withdrawal from an offering (when the Participating Employee is automatically enrolled in a subsequent offering), the Participating Employee's accumulated payroll deductions which have not been applied toward the purchase of Shares (except, in the case of an automatic withdrawal, for an amount necessary to purchase an additional whole Share) will be returned as soon as practicable after the withdrawal, without the payment of any interest, to the Participating Employee, and the Participating Employee's interest in the ESPP or the offering, as applicable, will terminate. Such accumulated payroll deductions may not be applied to any other offering under the ESPP.

### 2.5 Termination of Employment of Participating Employees

Upon a Participating Employee's ceasing, prior to a Purchase Date, to be an employee of the Participating Company group for any reason, including retirement, disability or death, or the failure of a Participating Employee to remain an eligible employee, the Participating Employee's participation in the ESPP will terminate immediately. In such event, the payroll deductions credited to the Participating Employee's ESPP account since the last Purchase Date will, as soon as practicable, be returned to the



Participating Employee or, in the case of the Participating Employee's death, to the Participating Employee's legal representative, and all of the Participating Employee's rights under the ESPP will terminate. Interest will not be paid on sums returned. A Participating Employee whose participation has been so terminated may again become eligible to participate in the ESPP by again satisfying the requirements of eligibility and enrollment.

### III. DELIVERY AND SALE OF THE SHARES

As soon as practicable after each Purchase Date, the Company will arrange the delivery to each Participating Employee, as appropriate, of a certificate representing the Shares acquired by the Participating Employee on such Purchase Date; provided that the Company may deliver such Shares to a broker that holds such Shares in street name for the benefit of the Participating Employee. Shares to be delivered to a Participating Employee under the ESPP will be registered in the name of the Participating Employee, or, if requested by the Participating Employee, in the name of the Participating Employee and his or her spouse, or, if applicable, in the names of the heirs of the Participating Employee.

A purchase right may not be transferred in any manner otherwise than by will or the laws of descent and distribution and will be exercisable during the lifetime of the Participating Employee only by the Participating Employee.

### IV. RIGHTS RELATED TO THE SHARES

#### 4.1 Type and the Class of the Securities Being Offered, Including the Security Identification Code

As of February 27, 2015, Adobe was authorized to issue 900,000,000 Shares and 2,000,000 shares of preferred stock, par value \$0.0001 per share. As of March 20, 2015, there were 500,269,100 Shares outstanding and no shares of preferred stock issued or outstanding.

Adobe's Shares, including any Shares that may be issued or purchased pursuant to the ESPP, are listed on NASDAQ under the symbol "ADBE." The CUSIP number for the Shares is 00724F101.

#### 4.2 Legislation Under Which the Securities Have Been Created

The Shares were created under the DGCL. Except as otherwise expressly required under the laws of a country, the ESPP and all rights thereunder shall be governed by and construed in accordance with the laws of the state of Delaware, United States of America.

#### 4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records

In general, stockholders may hold Shares, at their choosing, either in book entry, certificated or street name form. The records of the registered stockholders are kept by Adobe's transfer agent, Computershare Trust Company, N.A. The address and telephone number of Computershare Trust Company, N.A. are:

Computershare Trust Company, N.A.  
250 Royall Street  
Canton, MA 02021  
U.S.A.  
+ 1-800-455-1130  
+ 1-312-360-5148 (outside the U.S.A.)

**By Regular Mail**  
P.O. BOX 30170  
College Station, TX 77842  
U.S.A.

**By Overnight Delivery**  
211 Quality Circle Suite 210  
College Station, TX 77845  
U.S.A.

The Company's designated ESPP broker is E\*Trade. The Shares are deposited into the Participating Employee's E\*Trade account. The Participating Employee can activate his or her E\*Trade Account on the Internet at the following address: [www.etrade.com/stockplans](http://www.etrade.com/stockplans) or via IVR (Interactive Voice Response) at 1-650-599-0125 (outside the United States). Confirmations of purchase statements are made available to the Participating Employees both online or by contacting Adobe's designated office.

### **Commission**

The SEC imposes a fee on the transfer of Shares. This fee is paid to the SEC at the time of sale and is required for all equity trades. Upon selling the Shares, Participating Employees will be charged a fee equal to \$0.0000184 multiplied by the total principal amount of the sale proceeds. The SEC will publish a revised fee rate 30 days after the SEC's regular appropriation for fiscal year 2016 is enacted, and this new fee rate will become effective 60 days after the appropriation is enacted.

## **4.4 Currency of the Securities Issue**

The United States Dollar is the currency of the securities issue. Participating Employees assume the risk of any currency fluctuations from the time of their contributions to the ESPP by payroll deductions through the selling of their Shares purchased under the ESPP.

## **4.5 Rights Attached to the Securities**

No Participating Employee shall have any voting, dividend, or other stockholder rights with respect to any offering under the ESPP until the Shares have been purchased and delivered to the Participating Employee as provided in Section III above. Following such purchase and delivery, the Participating Employee shall be entitled to the rights attached to the Shares, as further described below:

**Dividend Rights.** Adobe's Restated Certificate of Incorporation does not provide for dividend rights for the Shares. Under the DGCL and subject to preferences that may apply to shares of Adobe preferred stock outstanding at the time, the holders of outstanding Shares are entitled to receive dividends either (1) out of the surplus, or (2) in case there shall be no such surplus, out of the company's net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year as Adobe's Board may from time to time determine (see Section 170 DGCL).

Adobe did not declare or pay any cash dividends on its Shares during fiscal 2014, fiscal 2013 or fiscal 2012. Under the terms of its credit agreement and lease agreements, Adobe is not prohibited from paying cash dividends unless payment would trigger an event of default or one currently exists. Adobe does not anticipate paying any cash dividends in the foreseeable future.

**Voting Rights.** Each holder of Shares is entitled to one vote for each Share held on all matters submitted to a vote of Adobe's stockholders. Any action required or permitted to be taken by the stockholders of Adobe must be effected at a duly called annual or special meeting of such holders and may not be effected by consent in writing by such stockholders (Article V, Section B.(3) of the Restated Certificate of Incorporation of Adobe Systems Incorporated). Special meetings of stockholders of Adobe may be called, for any purpose or purposes, by (i) the Chairman of the Board, (ii) the President, (iii) the Board pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption) or (iv) by the holders of the Shares entitled to cast not less than ten percent (10%) of the votes at the meeting (Article V, Section B.(4) of the Restated Certificate of Incorporation of Adobe Systems Incorporated).

An annual meeting of stockholders shall be held for the election of directors at such date, time and place, either within or without the State of Delaware, as the Board shall each year fix. Any other business properly brought before the Annual Meeting in accordance with Article III, Section 5(b) of the Amended and Restated Bylaws may be conducted at the meeting.

Except as provided in Section 18 of Article IV of the Amended and Restated Bylaws, a nominee for director shall be elected to the Board if the votes cast for such nominee's election exceed the votes cast against such nominee's election (excluding the effect of any abstentions with respect to that nominee's election); provided, however, that directors shall be elected by a plurality of the votes cast at any meeting of stockholders for which (i) the Secretary of the corporation receives a notice that a stockholder has nominated a person for election to the Board in compliance with the advance notice requirements for stockholder nominees for director set forth in Article III, Section 5(b)(iii) of these Bylaws and (ii) such nomination has not been withdrawn by such stockholder on or before the tenth (10th) day before the corporation first mails its notice of meeting for such meeting to the stockholders.

The Amended and Restated Bylaws require a stockholder who desires to nominate one or more persons for election as a member of the Board at the Company's annual meeting to provide written notice to the Company at least 75 days and no more than 105 days prior to the first anniversary of the date on which the Company released its proxy materials to its stockholders for the prior year's annual meeting of stockholders.

Pursuant to Section 242 of the DGCL, after a corporation has received payment for any of its capital stock, it may amend its certificate of incorporation, from time to time, in any and as many respects as may be desired, so long as its certificate of incorporation as amended would contain only such provisions as it would be lawful and proper to insert in an original certificate of incorporation filed at the time of the filing of the amendment; and, if a change in stock or the rights of stockholders, or an exchange, reclassification, subdivision, combination or cancellation of stock or rights of stockholders is to be made, such provisions as may be necessary to effect such change, exchange, reclassification, subdivision, combination or cancellation. In particular, and without limitation upon such general power of amendment, a corporation may amend its certificate of incorporation, from time to time, so as:

- (1) To change its corporate name; or
- (2) To change, substitute, enlarge or diminish the nature of its business or its corporate powers and purposes; or
- (3) To increase or decrease its authorized capital stock or to reclassify the same, by changing the number, par value, designations, preferences, or relative, participating, optional, or other special rights of the shares, or the qualifications, limitations or restrictions of such rights, or by changing shares with par value into shares without par value, or shares without par value into shares with par value either with or without increasing or decreasing the number of shares, or by subdividing or combining the outstanding shares of any class or series of a class of shares into a greater or lesser number of outstanding shares; or
- (4) To cancel or otherwise affect the right of the holders of the shares of any class to receive dividends which have accrued but have not been declared; or
- (5) To create new classes of stock having rights and preferences either prior and superior or subordinate and inferior to the stock of any class then authorized, whether issued or unissued; or
- (6) To change the period of its duration.

Any or all such changes or alterations may be effected by one certificate of amendment.

The board of directors shall adopt a resolution setting forth the amendment proposed, declaring its advisability, and either calling a special meeting of the stockholders entitled to vote in respect thereof for the consideration of such amendment or directing that the amendment proposed be considered at the next annual meeting of the stockholders. Such special or annual meeting shall be called and held upon notice. The notice shall set forth such amendment in full or a brief summary of the changes to be effected thereby, as the directors shall deem advisable. At the meeting, a vote of the stockholders entitled to vote

thereon shall be taken for and against the proposed amendment. If a majority of the outstanding stock entitled to vote thereon, and a majority of the outstanding stock of each class entitled to vote thereon as a class has been voted in favor of the amendment, a certificate setting forth the amendment and certifying that such amendment has been duly adopted in accordance with Section 242 of the DGCL shall be executed, acknowledged and filed and shall become effective.

**Right to Receive Liquidation Distributions.** Upon a liquidation, dissolution or winding-up of the company, the assets legally available for distribution to stockholders are distributable ratably among the holders of the outstanding Shares at that time after payment of any liquidation preferences on any outstanding preferred stock.

**No Preemptive, Redemptive or Conversion Provisions.** The Shares are not entitled to preemptive rights and are not subject to conversion or redemption.

#### 4.6 Transferability

The Shares in this offering under the ESPP are registered on a registration statement on Form S-8 with the SEC and are generally freely transferable.

The ESPP is intended to provide Shares for investment and not for resale. The Company does not, however, intend to restrict or influence any Participating Employee in the conduct of his or her own affairs. A Participating Employee, therefore, may sell Shares purchased under the ESPP at any time he or she chooses, subject to compliance with any applicable securities laws. THE PARTICIPATING EMPLOYEE ASSUMES THE RISK OF ANY MARKET FLUCTUATIONS IN THE PRICE OF THE SHARES.

#### 4.7 General Provisions Applying to Business Combinations

Adobe is subject to Section 203 of the DGCL, which, subject to certain exceptions, prohibits a Delaware corporation from engaging in any “business combination” with an “interested stockholder” for a period of three years following the time that such stockholder became an interested stockholder, unless:

- the board of directors of the corporation approves either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder, prior to the time the interested stockholder attained that status;
- upon the closing of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding those shares owned (i) by persons who are directors and also officers and (ii) by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to such time, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

With certain exceptions, an “interested stockholder” is a person or group who or which owns 15% or more of the corporation’s outstanding voting stock (including any rights to acquire stock pursuant to an option, warrant, agreement, arrangement or understanding, or upon the exercise of conversion or exchange rights, and stock with respect to which the person has voting rights only), or is an affiliate or associate of the corporation and was the owner of 15% or more of such voting stock at any time within the previous three years.

In general, Section 203 defines a business combination to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

A Delaware corporation, such as Adobe, may “opt out” of this provision with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from a stockholders’ amendment approved by at least a majority of the outstanding voting shares. However, Adobe has not “opted out” of this provision. Section 203 could prohibit or delay mergers or other takeover or change-in-control attempts and, accordingly, may discourage attempts to acquire Adobe.

Section 253 of the DGCL authorizes the board of directors of a Delaware corporation that owns 90% or more of each of the outstanding classes of stock of a subsidiary that are entitled to vote on a merger to merge the subsidiary into itself without any requirement for action to be taken by the board of directors of the subsidiary.

Section 251(h) of the DGCL, subject to certain exceptions, permits parties entering into a merger agreement to “opt in” to eliminate a target stockholder vote on a back-end merger following a tender or exchange offer in which the acquirer accumulates sufficient shares to approve the merger agreement (a majority unless the target has adopted a higher vote requirement) but less than the 90% necessary to effect a short-form merger.

## V. STATEMENT OF CAPITALIZATION AND INDEBTEDNESS (AS OF FEBRUARY 27, 2015)

### 5.1 Capitalization and Indebtedness (in thousands – unaudited)

Total Current debt	\$ 64
- Guaranteed	-
- Secured (capital lease obligations)	\$ 64
- Unguaranteed / Unsecured	-
Total Non-Current debt (excluding current portion of long-term debt)	\$ 1,901,554
- Guaranteed	-
- Secured (capital lease obligations)	-
- Unguaranteed / Unsecured	\$ 1,901,554
Stockholders’ equity	
a. Share Capital and Additional Paid-in Capital	\$ 3,897,899
b. Legal Reserve	-
c. Total Other Reserves	\$ 2,691,121
- Retained earnings	\$ 6,756,803

- Accumulated other comprehensive loss	\$ (103,810)
- Treasury stock, at cost (100,786 Shares), net of re-issuances	\$ (3,961,872)
Total	\$ 6,589,020

## 5.2 Net Indebtedness (in thousands – unaudited)

A.+ B.	Cash and cash equivalents	\$ 712,884
C.	Short-term investments	\$ 2,463,936
<b>D.</b>	<b>Liquidity (A) + (B) + (C)</b>	<b>\$ 3,176,820</b>
<b>E.</b>	<b>Current Financial Receivable</b>	-
F.	Current Bank debt	-
G.	Current portion of non-current debt (capital lease obligations)	\$ 64
H.	Other current financial debt	-
<b>I.</b>	<b>Other Financial Debt (F) + (G) + (H)</b>	<b>\$ 64</b>
<b>J.</b>	<b>Net Current Financial Indebtedness (I) – (E) – (D)</b>	<b>\$ (3,176,756)</b>
K.	Non-current Bank loans	-
L.	Bonds Issued	\$ 1,901,554
M.	Other non-current loans (capital lease obligations)	-
<b>N.</b>	<b>Non-current Financial Indebtedness (K) + (L) + (M)</b>	<b>\$ 1,901,554</b>
<b>O.</b>	<b>Net Financial Indebtedness (J) + (N)</b>	<b>\$ (1,275,202)</b>

## 5.3 Indirect and Contingent Indebtedness

### Lease Commitments

We occupy three office buildings in San Jose, California where our corporate headquarters are located. We reference these office buildings as the Almaden Tower and the East and West Towers. We own the land and the East and West Tower buildings, and lease the Almaden Tower building.

The lease agreement for the Almaden Tower is effective through March 2017. We are the investors in the lease receivable related to the Almaden Tower lease in the amount of \$80.4 million, which is recorded as investment in lease receivable on our Condensed Consolidated Balance Sheets. As of February 27, 2015, the carrying value of the lease receivable related to the Almaden Tower approximated fair value. Under the agreement for the Almaden Tower, we have the option to purchase the building at any time during the lease term for \$103.6 million. If we purchase the building, the investment in the lease receivables may be credited against the purchase price. The residual value guarantee under the Almaden Tower obligation is \$89.4 million.

The Almaden Tower lease is subject to standard covenants including certain financial ratios that are reported to the lessor quarterly. As of February 27, 2015, we were in compliance with all of the covenants. In the case of a default, the lessor may demand we purchase the building for an amount equal to the lease balance, or require that we remarket or relinquish the building. If we choose to remarket or are required to do so upon relinquishing the building, we are bound to arrange the sale of the building to an unrelated party and will be required to pay the lessor any shortfall between the net remarketing proceeds and the lease balance, up to the residual value guarantee amount less our investment in lease receivable. The Almaden Tower lease qualifies for operating lease accounting treatment and, as such, the building and the related obligation are not included in our Condensed Consolidated Balance Sheets.

### ***Royalties***

We have royalty commitments associated with the shipment and licensing of certain products. Royalty expense is generally based on a dollar amount per unit sold or a percentage of the underlying revenue.

### ***Indemnifications***

In the normal course of business, we provide indemnifications of varying scope to customers against claims of intellectual property infringement made by third parties arising from the use of our products and from time to time, we are subject to claims by our customers under these indemnification provisions. Historically, costs related to these indemnification provisions have not been significant and we are unable to estimate the maximum potential impact of these indemnification provisions on our future results of operations.

To the extent permitted under Delaware law, we have agreements whereby we indemnify our directors and officers for certain events or occurrences while the director or officer is or was serving at our request in such capacity. The indemnification period covers all pertinent events and occurrences during the director's or officer's lifetime. The maximum potential amount of future payments we could be required to make under these indemnification agreements is unlimited, however, we have director and officer insurance coverage that limits our exposure and enables us to recover a portion of any future amounts paid.

### ***Legal Proceedings***

In connection with disputes relating to the validity or alleged infringement of third-party intellectual property rights, including patent rights, we have been, are currently and may in the future be subject to claims, negotiations or complex, protracted litigation. Intellectual property disputes and litigation may be very costly and can be disruptive to our business operations by diverting the attention and energies of management and key technical personnel. Although we have successfully defended or resolved past litigation and disputes, we may not prevail in any ongoing or future litigation and disputes. Third-party intellectual property disputes could subject us to significant liabilities, require us to enter into royalty and licensing arrangements on unfavorable terms, prevent us from licensing certain of our products or offering certain of our services, subject us to injunctions restricting our sale of products or services, cause severe disruptions to our operations or the markets in which we compete, or require us to satisfy indemnification commitments with our customers including contractual provisions under various license arrangements and service agreements.

Between May 4, 2011 and July 14, 2011, five putative class action lawsuits were filed in Santa Clara Superior Court and Alameda Superior Court in California. On September 12, 2011, the cases were consolidated into In Re High-Tech Employee Antitrust Litigation pending in the United States District Court for the Northern District of California, San Jose Division. In the consolidated complaint, Plaintiffs alleged that Adobe, along with Apple, Google, Intel, Intuit, Lucasfilm and Pixar, agreed not to recruit each other's employees in violation of Federal and state antitrust laws. Plaintiffs claim the alleged agreements suppressed employee compensation and deprived employees of career opportunities. Plaintiffs seek injunctive relief, monetary damages, treble damages, costs and attorneys fees. All defendants deny the allegations and that they engaged in any wrongdoing of any kind. On October 24, 2013, the court certified a class of all persons who worked in the technical, creative, and/or research and development fields on a salaried basis in the United States for one or more of the following: (a) Apple from March 2005 through December 2009; (b) Adobe from May 2005 through December 2009; (c) Google from March 2005 through December 2009; (d) Intel from March 2005 through December 2009; (e) Intuit from June 2007 through December 2009; (f) Lucasfilm from January 2005 through December 2009; or (g) Pixar from January 2005 through December 2009, excluding retail employees, corporate officers, members of the boards of directors, and senior executives of all defendants. During the first quarter of fiscal 2015, the parties reached another agreement to settle the litigation. On March 2015, the court granted preliminary approval of the settlement. The hearing for final approval is set for July 2015. We accrued a loss

contingency of \$10.0 million associated with this matter during the first quarter of fiscal 2014. If the settlement is approved, we expect to incur no additional losses associated with this matter.

In addition to intellectual property disputes, we are subject to legal proceedings, claims and investigations in the ordinary course of business, including claims relating to commercial, employment and other matters. Some of these disputes and legal proceedings may include speculative claims for substantial or indeterminate amounts of damages. We consider all claims on a quarterly basis in accordance with U.S. GAAP and based on known facts assess whether potential losses are considered reasonably possible, probable and estimable. Based upon this assessment, we then evaluate disclosure requirements and whether to accrue for such claims in our financial statements. This determination is then reviewed and discussed with our Audit Committee and our independent registered public accounting firm.

We make a provision for a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These provisions are reviewed at least quarterly and adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular case. Unless otherwise specifically disclosed in this note, we have determined that no provision for liability nor disclosure is required related to any claim against us because: (a) there is not a reasonable possibility that a loss exceeding amounts already recognized (if any) may be incurred with respect to such claim; (b) a reasonably possible loss or range of loss cannot be estimated; or (c) such estimate is immaterial.

All legal costs associated with litigation are expensed as incurred. Litigation is inherently unpredictable. However, we believe that we have valid defenses with respect to the legal matters pending against us. It is possible, nevertheless, that our consolidated financial position, cash flows or results of operations could be negatively affected by an unfavorable resolution of one or more of such proceedings, claims or investigations.

In connection with our anti-piracy efforts, conducted both internally and through organizations such as the Business Software Alliance, from time to time we undertake litigation against alleged copyright infringers. Such lawsuits may lead to counter-claims alleging improper use of litigation or violation of other laws. We believe we have valid defenses with respect to such counter-claims; however, it is possible that our consolidated financial position, cash flows or results of operations could be affected in any particular period by the resolution of one or more of these counter-claims.

## **VI. MAXIMUM DILUTION AND NET PROCEEDS**

### **6.1 Maximum Dilution**

The Shares under the ESPP are offered pursuant to this prospectus to 1,564 eligible employees (as of February 27, 2015) in France, Germany, Romania and the United Kingdom. As indicated in Section 1.2 above, the maximum rate at which employees may purchase Shares may not exceed \$25,000 of the Fair Market Value of Shares (at the time of the Offering Date) per calendar year in which the right is outstanding. However, as noted above, there are other limitations on Share purchases (such as no more than 25% of eligible compensation may be contributed to ESPP purchases) which may result in employees not being able to purchase \$25,000 worth of Shares in a calendar year.

Assuming that (i) eligible employees did not participate in the ESPP Purchase Period ending June 30, 2015, (ii) no other ESPP limitations are exceeded, and (iii) no Participating Employee has carried or will carry over any contributions from the prior calendar year into the following calendar year, if the employees enroll in the Purchase Period which begins in July 2015, each Participating Employee would be able to purchase a maximum of 330 whole Shares for a maximum of \$21,219 in contributions for the 2015 calendar year. These amounts are based on a hypothetical Purchase Price of \$64.30 (85% of 75.65, the closing price on April 7, 2015) and assuming that the July 1, 2015 Share price is less than the December 31, 2015 Share price. No additional purchases will be permitted in calendar year 2015. However,



Participating Employees would be able to purchase additional Shares during the Purchase Period in the next Offering Period. Assuming that employees participated in the next Purchase Period (i.e., January 1, 2016 to June 30, 2016) and assuming other ESPP contribution limits are not exceeded, on June 30, 2016 a Participating Employee would again be able to purchase a maximum of 330 whole Shares for a maximum of \$21,219. These amounts are calculated assuming a hypothetical Purchase Price of \$64.30 (85% of \$75.65, the closing price on April 7, 2015) and assuming that the December 31, 2015 Share price is less than the June 30, 2016 Share price (so the look back pricing feature is activated). Assuming that all of the Participating Employees would each purchase 660 Shares in the Offering Periods beginning in July 2015 and January 2016, the maximum number of Shares offered pursuant to this prospectus amounts to 1,032,240.

Based on the above assumptions, the holdings of a Stockholder of Adobe currently holding 1% of the total outstanding Share capital of Adobe as of March 20, 2015 that is 5,002,691 Shares, and who would not participate in the offer, would be diluted as indicated in the following dilution table:

	Percentage of the total outstanding Shares	Total number of outstanding Shares
Before the offering (as of March 20, 2015)	1.00%	500,269,100
After issuance of 1,032,240 Shares under the ESPP	0.998%	501,301,340

## 6.2 Net Proceeds

Assuming that the 1,564 eligible employees in France, Germany, Romania and the United Kingdom would purchase the maximum amount of Shares under the ESPP offered pursuant to this prospectus, that is, a total of \$42,438 each, then the gross proceeds of Adobe in connection with the offer under the ESPP pursuant to this prospectus would be approximately \$66,373,032. After deducting legal and accounting expenses in connection with the offer, the net proceeds, based on the above assumptions, would be approximately \$66,283,032.

## VII. DIRECTORS AND EXECUTIVE OFFICERS

### 7.1 Board of Directors as of April 9, 2015

<u>Name</u>	<u>Age*</u>	<u>Director Since</u>
Amy L. Banse	55	2012
Kelly J. Barlow	46	2012
Edward W. Barnholt	71	2005
Robert K. Burgess	57	2005
Frank A. Calderoni	57	2012
Michael R. Cannon	62	2003
James E. Daley	73	2001
Laura B. Desmond	49	2012
Charles M. Geschke	75	1983
Shantanu Narayen	51	2007
Daniel L. Rosensweig	53	2009

<u>Name</u>	<u>Age*</u>	<u>Director Since</u>
Robert Sedgewick	68	1990
John E. Warnock	74	1983

\* Ages and biographical information are as of February 27, 2015.

**Ms. Banse** serves as Managing Director and Head of Funds, Comcast Ventures and Senior Vice President, Comcast Corporation. Prior to this role, she was President of Comcast Interactive Media (CIM), a division of Comcast responsible for developing Comcast's online strategy and operating Comcast's digital properties, including Fandango, Xfinity.com and Xfinitytv.com. Ms. Banse joined Comcast in 1991 and spent the early part of her career at Comcast overseeing the development of Comcast's cable network portfolio. She received a B.A. from Harvard and a J.D. from Temple University School of Law.

**Mr. Barlow** has been a Partner of ValueAct Capital, an investment partnership engaged in public and private equity investing, since August 2003. Prior to joining ValueAct Capital, Mr. Barlow worked at EGM Capital from 1997 to 2003 where he served primarily as portfolio manager of the firm's long/short equity fund. Prior to EGM Capital, Mr. Barlow worked at Wells Capital Management, a wholly owned subsidiary of Wells Fargo Bank, in the small capitalization equity department from 1993 to 1997. Mr. Barlow previously served as a director of KAR Auction Services, Inc. from December 2011 to September 2013, of Allscripts Healthcare Solutions, Inc. from October 2008 to August 2010 and of SIRVA, Inc. from September 2006 to December 2007. Mr. Barlow holds a B.S. from California State University, Chico and is a CFA Charterholder.

**Mr. Barnholt** served as President and Chief Executive Officer of Agilent Technologies, Inc., a measurement company, from March 1999 to March 2005 and as its Chairman of the Board from November 2002 until his retirement in March 2005. From 1990 to 1999, Mr. Barnholt served in several executive positions at Hewlett-Packard Company, a computer and electronics company, including serving as Executive Vice President and General Manager of its Measurements Organization. Mr. Barnholt currently serves on the board of directors of eBay Inc., a global online marketplace, and as Chairman of the Board of KLA-Tencor Corporation, a provider of process control and yield management solutions. Mr. Barnholt holds a B.S. and a M.S. in Electrical Engineering from Stanford University.

**Mr. Burgess** has been an independent consultant since December 2005. He served as Chief Executive Officer of Macromedia, Inc., a provider of internet and multimedia software, from November 1996 to January 2005. He also served on the board of directors of Macromedia from November 1996 until December 2005, as Chairman of the Board of Macromedia from July 1998 until December 2005 and as Executive Chairman of Macromedia from January 2005 until December 2005, when Macromedia was acquired by Adobe. Prior to joining Macromedia, Mr. Burgess held key executive positions at Silicon Graphics, Inc., a graphics and computing company, and from 1991 to 1995 served as Chief Executive Officer and a member of the board of directors of Alias Research, Inc., a publicly traded 3D software company, prior to its acquisition by Silicon Graphics. Mr. Burgess currently serves on the board of NVIDIA Corporation, a provider of programmable graphics processing technologies. He previously served on the board of IMRIS Inc. from September 2010 to November 2013. Mr. Burgess holds a B.Com. from McMaster University in Canada.

**Mr. Calderoni** currently serves as an Executive Advisor at Cisco Systems Inc., a designer, manufacturer and seller of Internet Protocol (IP)-based networking and other products related to the communications and information technology industry. From 2008 to January 2015, Mr. Calderoni served as Executive Vice President and Chief Financial Officer at Cisco, managing the company's financial strategy and operations. He joined Cisco in 2004 from QLogic Corporation, a storage networking company where he was Senior Vice President and Chief Financial Officer. Prior to that, he was Senior Vice President, Finance and Administration and Chief Financial Officer for SanDisk Corporation, a flash data storage company. Before joining SanDisk, Mr. Calderoni spent 21 years at IBM, a global services, software and systems company, where he became Vice President and held controller responsibilities for several

divisions within the company. Mr. Calderoni holds a B.S. in Accounting and Finance from Fordham University and an M.B.A. in Finance from Pace University.

**Mr. Cannon** served as President, Global Operations of Dell Inc., a computer systems manufacturer and services provider, from February 2007 until his retirement in January 2009, and as a consultant to Dell from January 2009 until January 2011. Prior to joining Dell, Mr. Cannon was the President and Chief Executive Officer of Soletron Corporation, an electronic manufacturing services company, from January 2003 until February 2007. From July 1996 until January 2003, Mr. Cannon served as the Chief Executive Officer of Maxtor Corporation, a disk drive and storage systems manufacturer. Prior to joining Maxtor, Mr. Cannon held senior management positions at IBM, a global services, software and systems company. Mr. Cannon also serves on the board of directors of Seagate Technology Public Limited Company, a disk drive and storage solutions company, Lam Research Corporation, a semiconductor wafer fabrication equipment company, and Dialog Semiconductor, a mixed signal semiconductor company. He previously served as a director of Elster Group SE from October 2010 to August 2012. Mr. Cannon studied mechanical engineering at Michigan State University and completed the Advanced Management Program at Harvard Business School.

**Mr. Daley** has been an independent consultant since his retirement in July 2003 from Electronic Data Systems Corporation (EDS), an information technology service company. Mr. Daley served as Executive Vice President and Chief Financial Officer of EDS from March 1999 to February 2003, and as its Executive Vice President of Client Solutions, Global Sales and Marketing from February 2003 to July 2003. From 1963 until his retirement in 1998, Mr. Daley was with Price Waterhouse, L.L.P., an accounting firm, where he served as Co-Chairman-Operations and Vice-Chairman-International from 1988 to 1998. Mr. Daley currently serves on the board of directors of The Guardian Life Insurance Company of America. Mr. Daley holds a B.B.A. from Ohio University.

**Ms. Desmond** is the Global Chief Executive Officer of Starcom MediaVest Group (SMG), a global marketing and media services company which is part of the Publicis Groupe. She is also a member of the Publicis Groupe P12, an executive committee, and the Directoire+, a management board, which are both comprised of the company's top global leaders. Prior to her appointment as Global Chief Executive Officer in 2008, Ms. Desmond was Chief Executive Officer of SMG-The Americas from 2007 to 2008 where she managed a network spanning the United States, Canada and Latin America. She was Chief Executive Officer of MediaVest, based in New York, from 2003 to 2007, and from 2000 to 2002 she was Chief Executive Officer of SMG's Latin America group. Ms. Desmond previously served as a director of Tremor Video, Inc. from January 2012 to September 2013. She holds a B.B.A. in Marketing from the University of Iowa.

**Dr. Geschke** was a founder of Adobe and has served as our Chairman of the Board since September 1997, sharing that office with John E. Warnock. He was our Chief Operating Officer from December 1986 until July 1994 and our President from April 1989 until his retirement in April 2000. Dr. Geschke holds a Ph.D. in Computer Science from Carnegie Mellon University.

**Mr. Narayan** currently serves as our President and Chief Executive Officer. He joined Adobe in January 1998 as Vice President and General Manager of our engineering technology group. In January 1999, he was promoted to Senior Vice President, Worldwide Products, and in March 2001 he was promoted to Executive Vice President, Worldwide Product Marketing and Development. In January 2005, Mr. Narayan was promoted to President and Chief Operating Officer, and effective December 2007, he was appointed our Chief Executive Officer and joined our Board. Mr. Narayan serves on the board of directors of Pfizer Inc., a multinational pharmaceutical corporation. He previously served as a director of Dell Inc. from September 2009 to October 2013. Mr. Narayan holds a B.S. in Electronics Engineering from Osmania University in India, a M.S. in Computer Science from Bowling Green State University and an M.B.A. from the Haas School of Business, University of California, Berkeley.

**Mr. Rosensweig** is currently President, Chief Executive Officer and Chairman of the board of directors of Chegg.com, an online textbook rental company. Prior to joining Chegg.com in February 2010, Mr. Rosensweig served as President and Chief Executive Officer of RedOctane, a business unit of Activision

Publishing, Inc., a developer, publisher and distributor of interactive entertainment and leisure products. Prior to joining RedOctane in March 2009, Mr. Rosensweig was an Operating Principal at the Quadrangle Group, a private investment firm. Prior to joining the Quadrangle Group in August 2007, Mr. Rosensweig served as Chief Operating Officer of Yahoo! Inc., an internet content and service provider, which he joined in April 2002. Prior to joining Yahoo!, Mr. Rosensweig was President of CNET Networks, Inc., an interactive media company, which he joined in October 2000. Mr. Rosensweig served for 18 years with Ziff-Davis, an integrated media and marketing services company, including roles as President and Chief Executive Officer of its subsidiary ZDNet, from 1997 until 2000 when ZDNet was acquired by CNET. Mr. Rosensweig holds a B.A. in Political Science from Hobart College.

**Dr. Sedgewick** has been a Professor of Computer Science at Princeton University since 1985, where he was the founding Chairman of the Department of Computer Science and is now the William O. Baker Professor of Computer Science. From 1975 to 1985, he served on the faculty at Brown University. Dr. Sedgewick holds a Ph.D. in Computer Science from Stanford University.

**Dr. Warnock** was a founder of Adobe and has been our Chairman of the Board since April 1989. Since September 1997, he has shared the position of Chairman with Charles M. Geschke. Dr. Warnock served as our Chief Executive Officer from 1982 until December 2000. From December 2000 until his retirement in March 2001, Dr. Warnock served as our Chief Technical Officer. Dr. Warnock currently serves as Chairman of the Board of Salon Media Group, Inc. Dr. Warnock holds a Ph.D. in Electrical Engineering from the University of Utah.

## 7.2 Executive Officers as of March 31, 2015\*

<u>Name</u>	<u>Age</u>	<u>Position with the Company</u>
Shantanu Narayan	51	President and Chief Executive Officer
Mark Garrett	57	Executive Vice President, Chief Financial Officer
Matthew Thompson	56	Executive Vice President, Worldwide Field Operations
Michael Dillon	56	Senior Vice President, General Counsel and Corporate Secretary
Bryan Lamkin	54	Senior Vice President, Technology and Corporate Development
Ann Lewnes	53	Senior Vice President and Chief Marketing Officer
Donna Morris	47	Senior Vice President, People and Places
Bradley Rencher	41	Senior Vice President and General Manager, Digital Marketing
David Wadhvani	43	Senior Vice President and General Manager, Digital Media
Richard T. Rowley	58	Vice President, Corporate Controller and Chief Accounting Officer

\* Ages and bios as of January 16, 2015.

**Mr. Narayan.** For information concerning Mr. Narayan, please see Section 7.1 above.

**Mr. Garrett** joined Adobe in February 2007 as Executive Vice President and Chief Financial Officer. Mr. Garrett served as Senior Vice President and Chief Financial Officer of the Software Group of EMC Corporation, a products, services and solutions provider for information management and storage, from June 2004 to January 2007, his most recent position since EMC's acquisition of Documentum, Inc., an enterprise content management company, in December 2003. Mr. Garrett first joined Documentum as Executive Vice President and Chief Financial Officer in 1997, holding that position through October 1999 and then re-joining Documentum as Executive Vice President and Chief Financial Officer in 2002. Mr. Garrett is also a director of Informatica Corporation and Model N, Inc.

**Mr. Thompson** currently serves as Executive Vice President, Worldwide Field Operations. Mr. Thompson joined Adobe in January 2007 as Senior Vice President, Worldwide Field Operations. In January 2013, he was promoted to Executive Vice President, Worldwide Field Operations. Prior to joining Adobe, Mr. Thompson served as Senior Vice President of Worldwide Sales at Borland Software Corporation, a software delivery optimization solutions provider, from October 2003 to December 2006. Prior to joining Borland, Mr. Thompson was Vice President of Worldwide Sales and Field Operations for Marimba, Inc., a provider of products and services for software change and configuration management, from February 2001 to January 2003. From July 2000 to January 2001, Mr. Thompson was Vice President of Worldwide Sales for Calico Commerce, Inc., a provider of eBusiness applications. Prior to joining Calico, Mr. Thompson spent six years at Cadence Design Systems, Inc., a provider of electronic design technologies. While at Cadence, from January 1998 to June 2000, Mr. Thompson served as Senior Vice President, Worldwide Sales and Field Operations and from April 1994 to January 1998 as Vice President, Worldwide Professional Services.

**Mr. Dillon** joined Adobe in August 2012 as Senior Vice President, General Counsel and Corporate Secretary. Prior to joining Adobe, Mr. Dillon served as General Counsel and Corporate Secretary of Silver Spring Networks, a networking solutions provider, from November 2010 to August 2012. Before joining Silver Spring Networks, Mr. Dillon served in various capacities at Sun Microsystems, a diversified computer networking company, prior to its acquisition by Oracle Corporation. While at Sun Microsystems, from April 2006 to January 2010, Mr. Dillon served as Executive Vice President, General Counsel and Secretary, from April 2004 to April 2006, as Senior Vice President, General Counsel and Corporate Secretary, and from July 2002 to March 2004 as Vice President, Products Law Group. From October 1999 until June 2002, Mr. Dillon served as Vice President, General Counsel and Corporate Secretary of ONI Systems Corp, an optical networking company.

**Mr. Lamkin** rejoined Adobe in February 2013 as Senior Vice President, Technology and Corporate Development. From June 2011 to May 2012, Mr. Lamkin served as President and Chief Executive Officer of Clover, a mobile payments platform. Prior to Clover, Mr. Lamkin co-founded and served as the Chief Executive Officer of Bagcheck, a sharing and discovery platform, from June 2010 to May 2011. From April 2009 to June 2010, Mr. Lamkin served as Senior Vice President of Consumer Products and Applications at Yahoo!, a global technology company providing online search, content and communication tools. From May 2008 to April 2009 Mr. Lamkin served as Executive in Residence at Sutter Hill Ventures. Mr. Lamkin previously was with Adobe from 1992 to 2006 and held various senior management positions including Senior Vice President, Creative Solutions Business Unit.

**Ms. Lewnes** joined Adobe in November 2006 as Senior Vice President and Chief Marketing Officer. Prior to joining Adobe, Ms. Lewnes spent 20 years at Intel Corporation, where she was Vice President of Sales and Marketing. Ms. Lewnes has been elected to the board of directors of Mattel, Inc., effective February 1, 2015.

**Ms. Morris** currently serves as Senior Vice President of Adobe's Global People and Places organization. Ms. Morris joined Adobe as Senior Director of Global Talent Management in April 2002 through the acquisition of Accelio Corporation, a Canadian software company, where she served as Vice President of Human Resources and Learning. In December 2005 Ms. Morris was promoted to Vice President Global Human Resources Operations and subsequently to Senior Vice President Human Resources in March 2007.

**Mr. Rencher** serves as Senior Vice President and General Manager of Adobe's Digital Marketing business unit. Mr. Rencher joined Omniture, Inc. in January 2008 as Vice President of Corporate Development and was promoted to Senior Vice President of Business Operations prior to Adobe's acquisition of Omniture in 2009. Following the acquisition he joined Adobe as Vice President of Business Operations. Mr. Rencher was promoted to Vice President and General Manager, Omniture business unit in 2010 and subsequently to Senior Vice President in 2011. Prior to joining Omniture, Mr. Rencher was a member of the technology investment banking team at Morgan Stanley from 2005 to 2008 and a member of the investment banking team at RBC Capital Markets from 1998 to 2004.

**Mr. Wadhwani** serves as Senior Vice President and General Manager of Adobe's Digital Media business unit. Prior to June 2010, Mr. Wadhwani was Vice President and General Manager of Adobe's Platform business unit. He joined Adobe in 2005 through the acquisition of Macromedia. Prior to his time at Macromedia, Mr. Wadhwani founded and was VP of Engineering at iHarvest, a content management company that was acquired by Interwoven and worked at Oracle in their database tools division.

**Mr. Rowley** joined Adobe in November 2006 as Vice President, Corporate Controller and Principal Accounting Officer. Prior to joining Adobe, Mr. Rowley served as Vice President, Corporate Controller, Treasurer and Principal Accounting Officer at Synopsys, Inc., a semiconductor design software company, from December 2002 to September 2005 and from 1999 to December 2002, Mr. Rowley served as Vice President, Corporate Controller and Principal Accounting Officer. From 1994 to 1999, Mr. Rowley served in several finance-related positions at Synopsys. Mr. Rowley is a certified public accountant.

### **7.3 Fraudulent Offences and Bankruptcy, Etc.**

For at least the last five years, none of the directors or executive officers of Adobe has:

- (a) been convicted in relation to fraudulent offenses;
- (b) been associated with any bankruptcies, receiverships or liquidations when acting in their capacity of directors or executive officers of Adobe; or
- (c) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

There is no family relationship among any Adobe executive officers or directors.

### **7.4 Conflicts of Interest**

#### ***Independence of Directors***

As required by the NASDAQ's listing standards, a majority of the members of our Board must qualify as "independent," as affirmatively determined by our Board. Our Board consults with our legal counsel to ensure that its determinations are consistent with all relevant securities and other laws and regulations regarding the definition of "independent," including those set forth in the applicable NASDAQ listing standards.

After review of all relevant transactions and relationships between each director, any of their family members, Adobe, our executive officers and our independent registered public accounting firm, the Board has affirmatively determined that a majority of our Board is comprised of independent directors. Our independent directors are: Ms. Banse, Mr. Barlow, Mr. Barnholt, Mr. Burgess, Mr. Calderoni, Mr. Cannon, Mr. Daley, Ms. Desmond, Dr. Geschke, Mr. Rosensweig, Dr. Sedgewick and Dr. Warnock.

#### ***Perquisites and Additional Benefits and Programs***

We provide limited perquisites to our executives, including our Named Executive Officers ("NEOs") identified in "Executive Compensation—Summary Compensation Table" on page 43 of Adobe's Definitive Proxy Statement, filed with the SEC on February 27, 2015 ("Adobe's Proxy Statement"). In considering potential perquisites, the Committee considers the cost to Adobe as compared to the perceived value to our employees as well as other corporate governance and employee relations factors. We offer our executives at the director level and above, including our NEOs, an annual comprehensive physical examination that is fully funded by Adobe, as an added benefit to the Adobe medical insurances provided.

Alternatively, our NEOs may choose to enroll in a health concierge service. Adobe recognizes the significant role of its executives and offers this program to encourage a focus on keeping well.

In addition, we maintain a limited membership in a private jet program. Our policy related to this program, adopted to enable efficient travel, allows our Chief Executive Officer the use of a private jet for business travel only. A limited number of other executive officers and employees may accompany our Chief Executive Officer only if required for business purposes, and none of our executives or employees are permitted to use our private jet program for personal or other non-business-related travel. Our policy allows family members to accompany the Chief Executive Officer during business travel only if additional costs for the family members are paid for by the executive officer. The Chief Executive Officer complied with this policy at all times during fiscal year 2014.

We also provide the following benefits to our NEOs, on the same terms and conditions as provided to all other eligible employees: health, dental and vision insurance; life insurance; an ESPP; health savings account; medical and dependent care flexible spending account; and short- and long-term disability, accidental death and dismemberment. We believe these benefits are consistent with benefits provided by companies with which we compete for executive-level talent.

### ***Employment Agreements***

Each of our NEOs is employed “at will.” Except in limited circumstances, such as when an employment agreement that provides for severance is assumed or renegotiated as part of a corporate transaction, we only enter into agreements providing for severance benefits with our U.S. executive officers in relation to a change of control of Adobe or an executive transition plan.

### ***Severance and Change of Control Compensation***

The Committee believes that change of control vesting and severance benefits, if structured appropriately, serve to minimize the distraction caused by a potential transaction and reduce the risk that an executive departs Adobe before an acquisition is consummated. The Committee and the company believe that a pre-existing plan will allow our executives to focus on continuing normal business operations and on the success of a potential business combination, rather than on seeking alternative employment. Further, a pre-existing plan ensures stability and will enable our executives to maintain a balanced perspective in making overall business decisions during a potentially uncertain period. To that end, Adobe provides certain change of control benefits as described below.

From and after December 13, 2014, each of our NEOs is, or could be, an eligible participant in our 2014 Executive Severance Plan in the Event of a Change of Control (the “2014 Change of Control Plan”). Prior to December 13, 2014, including during fiscal year 2014, each of our NEOs was an eligible participant in our Executive Severance Plan for Prior Participants in the Event of a Change of Control, which was adopted in 2011 (the “2011 Prior Participant Change of Control Plan”). The 2011 Prior Participant Change of Control Plan replaced the former executive change of control severance plan (the “Former Plan”), which expired in December 2011, for all employees who were eligible under such former Plan, on substantially the same terms as the Former Plan. Also in December 2011, we adopted a change of control severance plan for members of senior management who were not eligible under the Former Plan upon its expiration (the “2011 New Participant Change of Control Plan”), but all of our NEOs were eligible for the 2011 Prior Participant Change of Control Plan.

The 2011 Prior Participant Change of Control Plan as well as the 2011 New Participant Change of Control Plan both expired by their terms on December 13, 2014 and were replaced by our 2014 Change of Control Plan. Both 2011 plans and the 2014 Change of Control Plan provide for severance payments and fully accelerated vesting of outstanding equity awards for our NEOs and other members of senior management upon an involuntary termination of employment upon or following a qualifying change of control.



The terms of the 2014 Change of Control Plan are described below. Likewise, although it has expired, the terms of the 2011 Prior Participant Change of Control Plan are described below as it was the operative plan during fiscal year 2014 and its terms are reflected in the “Executive Compensation—Change of Control—Potential Payments upon Termination and/or a Change of Control” table contained in Adobe’s Proxy Statement.

We also maintain a Retention Agreement with Mr. Narayan, which provides similar benefits but does not require termination of his employment in order for him to receive the equity acceleration, as described below under “Executive Compensation—Change of Control.” Mr. Narayan’s original Retention Agreement, dated January 12, 1998, was amended February 11, 2008 based on his promotion to Chief Executive Officer, and was further amended on both December 11, 2010 and December 5, 2014 in order to clarify the manner of compliance with, or exemption from, Internal Revenue Code Section 409A.

The 2011 plans, the 2014 Change of Control Plan and the Retention Agreement with Mr. Narayan do not provide for reimbursements or “gross-ups” of excise tax amounts under Section 4999 of the Code. Rather, under all of these arrangements, benefits would be reduced if doing so would result in a better after-tax economic position for the affected executive. The Committee and the Company believe this is an appropriate allocation of the tax cost of these arrangements between Adobe and the executive and is consistent with market practice.

Our change of control arrangements are designed to be competitive with the pay practices of our peer group. The Committee periodically reviews the terms and conditions of our change of control arrangements and will make adjustments when and to the extent it deems appropriate. The 2014 Change of Control Plan will expire on December 13, 2017.

Additional details regarding our 2011 Prior Participant Change of Control Plan, our 2014 Change of Control Plan and the Retention Agreement with Mr. Narayan, including estimates of amounts payable in specified circumstances as of the last day of fiscal year 2014, are disclosed in the “Executive Compensation—Change of Control—Potential Payments upon Termination and/or a Change of Control” table contained in Adobe’s Proxy Statement.

### ***Change of Control***

Each of the NEOs is eligible to receive severance benefits in the event of certain terminations of employment upon or after a change of control of Adobe, pursuant to the terms of our 2011 Prior Participant Change of Control Plan applicable to each of our current NEOs through December 13, 2014 and pursuant to the terms of our 2014 Change of Control Plan after December 13, 2014 or, in the case of our Chief Executive Officer, upon or after a change of control of Adobe, in some cases whether or not his employment is terminated, pursuant to his Retention Agreement. Mr. Narayan would need to waive all benefits under his Retention Agreement to receive any benefits under the 2011 Prior Participant Change of Control Plan, or after December 13, 2014, the 2014 Change of Control Plan.

The terms of the 2014 Change of Control Plan are described below. Likewise, although it has expired, the terms of the 2011 Prior Participant Change of Control Plan are described below as it was the operative plan during fiscal year 2014 and its terms are reflected in the “Executive Compensation—Change of Control—Potential Payments upon Termination and/or a Change of Control” table contained in Adobe’s Proxy Statement.

### **Change of Control Terms on or after December 13, 2014**

*2014 Change of Control Plan.* From and after December 13, 2014, each of our NEOs is an eligible participant in our 2014 Executive Severance Plan in the Event of a Change of Control. The 2014 Change of Control Plan will expire on December 13, 2017, unless extended by Adobe. If a change of control occurs prior to its expiration, the 2014 Change of Control Plan will terminate following the later of the date



which is twelve months after the occurrence of a change of control or the payment of all severance benefits due under the 2014 Change of Control Plan.

Pursuant to the 2014 Change of Control Plan, if there is a qualifying change of control of Adobe (as defined in the plan), and within three months prior and twelve months following the change of control, Messrs. Garrett, Thompson, Wadhwani or Rencher experience a separation from service as a result of Adobe (or any successor) terminating his employment without cause (and not due to death or disability) or if he resigns for good reason, such executive officer would be eligible to receive:

- twenty-four months of salary and target bonus;
- Consolidated Omnibus Budget Reconciliation Act ("COBRA") premiums for the eligible executive and covered dependents until the earlier of (1) the last month in which the executive and his covered dependents are eligible for and enrolled in COBRA coverage and (2) twenty-four months; and
- accelerated vesting of all outstanding equity awards (including, for performance shares, solely to the extent shares are credited to the executive based upon performance achieved as of the change of control).

In the event that any amount under the 2014 Change of Control Plan would constitute an excess parachute payment within the meaning of Section 280G of the Code, the amounts payable will not exceed the amount which produces the greatest after-tax benefit to the affected individual. All of the benefits under the 2014 Change of Control Plan are conditioned upon the executive officer signing a release of claims.

*Chief Executive Officer Retention Agreement.* Effective January 12, 1998, Adobe entered into a Retention Agreement with Mr. Narayan, which has been amended three times: the first time effective February 11, 2008, based on his promotion to Chief Executive Officer, and the second and third times on December 17, 2010 and December 5, 2014, respectively, both times in order to clarify the manner of compliance with, or exemption from, Section 409A of the Code, in light of updates to, and interpretations of, applicable tax regulations.

Pursuant to his Retention Agreement, if there is a qualifying change of control of Adobe (as defined in the agreement), and prior to or within two years following the change of control Mr. Narayan experiences a separation from service as a result of Adobe (or any successor) terminating his employment without cause, or as a result of his disability, or if he resigns for good reason, Mr. Narayan would be eligible to receive:

- thirty-six months of salary and target bonus;
- pro-rata target bonus for the fiscal year of termination; and
- COBRA premiums for him and covered dependents until the earlier of (1) the last month in which he and his covered dependents are eligible for and enrolled in COBRA coverage and (2) thirty-six months.

Upon a change of control, regardless of whether his employment is terminated, Mr. Narayan would be eligible to receive accelerated vesting of all outstanding equity awards (including, for performance shares, solely to the extent shares are credited to him based upon performance achieved at the change of control) and all stock options would become fully exercisable.

In the event that any amount under Mr. Narayan's Retention Agreement would constitute an "excess parachute payment" within the meaning of Section 280G of the Code, the amounts payable will not exceed the amount which produces the greatest after-tax benefit to Mr. Narayan. All benefits provided

under the Retention Agreement are conditioned upon his signing a release of claims. The Retention Agreement has no expiration date.

### **Change of Control Terms prior to December 13, 2014 and during Fiscal Year 2014**

*2011 Prior Participant Change of Control Plan.* Prior to December 13, 2014, each of our NEOs was an eligible participant in our Executive Severance Plan for Prior Participants in the Event of a Change of Control, which was adopted in 2011 (the “2011 Prior Participant Change of Control Plan”). The 2011 Prior Participant Change of Control Plan, replaced the former executive change of control severance plan (the “Former Plan”), which expired in December 2011, for all employees who were eligible under such former Plan, on substantially the same terms as the Former Plan. Also in December 2011, we adopted a change of control severance plan for members of senior management who were not eligible under the Former Plan, but all of our NEOs were eligible for the 2011 Prior Participant Change of Control Plan.

Pursuant to the 2011 Prior Participant Change of Control Plan, if there is a qualifying change of control of Adobe (as defined in the plan), and within two years following the change of control, Messrs. Garrett, Thompson, Wadhvani or Rencher experiences a separation from service as a result of Adobe (or any successor) terminating his employment without cause (and not due to death or disability) or if he resigns for good reason, such executive officer would be eligible to receive:

- twenty-four months of salary and target bonus plus one month of salary and target bonus per year of service up to an additional twelve months;
- pro-rata target bonus for the fiscal year of termination;
- COBRA premiums for the eligible executive and covered dependents until the earlier of (1) the last month in which the executive and his covered dependents are eligible for and enrolled in COBRA coverage and (2) twenty-four months plus one month per year of service with Adobe (up to a maximum of an additional twelve); and
- accelerated vesting of all outstanding equity awards (including, for performance shares, solely to the extent shares are credited to the executive based upon performance achieved as of the change of control).

In the event that any amount under the 2011 Prior Participant Change of Control Plan would constitute an excess parachute payment within the meaning of Section 280G of the Code, the amounts payable will not exceed the amount which produces the greatest after-tax benefit to the affected individual. All of the benefits under the Prior Participant Change of Control Plan are conditioned upon the executive officer signing a release of claims.

*Chief Executive Officer Retention Agreement.* The terms of Mr. Narayan’s Retention Agreement are not substantively different before or after December 13, 2014. See the description above under “Executive Compensation—Change of Control—Change of Control Terms after December 13, 2014—Chief Executive Officer Retention Agreement” for details.

### **Performance Share Programs**

Pursuant to our Performance Share Programs prior to 2013, in the event of a change of control prior to the certification date, there will be an automatic crediting to each NEO of a prorated (based on time elapsed during the performance period) target award immediately prior to the date of the change of control, but the applicable time-based service vesting requirements will continue to apply. Pursuant to our Performance Share Programs in 2013 and 2014, in the event of a change of control prior to the certification date, the performance period will be shortened and the Committee will determine the level of achievement and the number of shares credited as of immediately prior to the date of the change of control, but the applicable time-based service vesting requirements will continue to apply. The 2011 Prior

Participant Change of Control Plan and the 2014 Change of Control Plan, as applicable, and Mr. Narayen's Retention Agreement provide for acceleration of the applicable time-based service vesting requirements under our Performance Share Programs for the awards held by the NEOs, as described above.

### ***Potential Payments upon Termination and/or a Change of Control***

The table on pages 52 - 54 of Adobe's Proxy Statement sets forth the estimated potential payments and benefits payable to each NEO under the 2011 Prior Participant Change of Control Plan (which was in effect on November 28, 2014), and in the case of Mr. Narayen, his Retention Agreement, in the event of a termination of employment and/or a change of control of Adobe ("COC"), as if such termination or COC event had occurred on November 28, 2014, the last day of fiscal year 2014. The value of the equity awards is based on the closing market price of our Shares as reported on NASDAQ on November 28, 2014, which was \$73.68 per share. Each NEO must sign a release of claims to receive any of the benefits below except those for Death/Disability, COC Only (continued employment), or COC Only/Equity Not Assumed or Substituted.

### ***Transactions with Related Persons***

#### ***Review, Approval or Ratification of Transactions with Related Persons***

Adobe's Code of Business Conduct requires that all employees and directors avoid conflicts of interests that interfere with the performance of their duties or are not in the best interests of Adobe.

In addition, pursuant to its written charter, the Nominating and Governance Committee considers and approves or disapproves any related person transaction as defined under Item 404 of Regulation S-K promulgated by the SEC, after examining each such transaction for potential conflicts of interest and other improprieties. The Nominating and Governance Committee has not adopted any specific written procedures for conducting such reviews and considers each transaction in light of the specific facts and circumstances presented.

#### ***Transactions with Related Persons***

Since the beginning of fiscal year 2014, there have not been any transactions, nor are there any currently proposed transactions, in which Adobe was or is to be a participant, where the amount involved exceeded \$120,000, and any related person had or will have a material direct or indirect interest. As is the case with most multinational corporations, from time to time in the ordinary course of business we engage in arms-length transactions with companies in which members of the Board or our executive team have professional relationships.

## **VIII. EMPLOYEES**

### **8.1 Directors' and Executive Officers' Holdings of Shares and Options**

The following table sets forth the beneficial ownership of our Shares as of February 13, 2015 by each entity or person who is known to beneficially own 5% or more of our Shares, each of our directors, each NEO and all of our directors and current executive officers as a group.

<b>Name of Beneficial Owner<sup>(1)</sup></b>	<b>Amount and Nature of Beneficial Ownership<sup>(2)(3)</sup></b>	<b>Percent of Class</b>
PRIMECAP Management Company 225 South Lake Avenue, No. 400	38,410,166 <sup>(4)</sup>	7.67%

Name of Beneficial Owner <sup>(1)</sup>	Amount and Nature of Beneficial Ownership <sup>(2)(3)</sup>	Percent of Class
Pasadena, CA 91101, U.S.A.		
FMR LLC 245 Summer Street Boston, MA 02210, U.S.A.	27,905,360 <sup>(5)</sup>	5.57%
Entities associated with BlackRock, Inc. 55 East 52nd Street New York, NY 10022, U.S.A.	26,175,688 <sup>(6)</sup>	5.23%
Shantanu Narayen	658,458 <sup>(7)</sup>	*
Mark Garrett	58,722 <sup>(8)</sup>	*
Matthew Thompson	51,296	*
David Wadhwani	27,026 <sup>(9)</sup>	*
Bradley Rencher	117,777 <sup>(10)</sup>	*
Amy L. Banse	24,365 <sup>(11)</sup>	*
Kelly J. Barlow	3,986 <sup>(12)</sup>	*
Edward W. Barnholt	84,698 <sup>(13)</sup>	*
Robert K. Burgess	84,698 <sup>(14)</sup>	*
Frank A. Calderoni	17,625 <sup>(15)</sup>	*
Michael R. Cannon	84,698 <sup>(16)</sup>	*
James E. Daley	93,776 <sup>(17)</sup>	*
Laura B. Desmond	17,625 <sup>(18)</sup>	*
Charles M. Geschke	442,245 <sup>(19)</sup>	*
Daniel L. Rosensweig	48,142 <sup>(20)</sup>	*
Robert Sedgewick	163,139 <sup>(21)</sup>	*
John E. Warnock	813,429 <sup>(22)</sup>	*
All directors and current executive officers as a group (23 persons)	3,105,388 <sup>(23)</sup>	0.62%

\* Less than 1%.

- (1) The address of each person named in the table, unless otherwise indicated, is c/o Adobe Systems Incorporated, 345 Park Avenue, San Jose, California 95110, U.S.A.
- (2) This table is based upon information supplied by executive officers, directors and principal stockholders. Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, each of the stockholders named in this table has sole voting and investment power with respect to the Shares indicated as beneficially owned. None of the Shares beneficially owned by our executive officers and directors are pledged as security. Applicable percentages are based on 500,922,824 Shares outstanding on February 13, 2015, adjusted as required by rules promulgated by the SEC.
- (3) Holdings reported include any equity awards deferred under our deferred compensation plan.
- (4) Includes 38,410,166 Shares beneficially held by PRIMECAP Management Company ("PRIMECAP") as of December 31, 2014, with sole dispositive power as to all Shares and sole voting power as to 6,042,233 Shares. Of those Shares beneficially held by PRIMECAP, Vanguard-related entities have sole voting power over 28,681,570 Shares. This information is based on a Schedule 13G/A filed with the SEC on February 13, 2015 by PRIMECAP and additional information provided by a representative of PRIMECAP on February 17, 2015.
- (5) FMR LLC has the sole power to vote or direct the vote of 2,369,625 Shares and the sole power to dispose or direct the disposition of all 27,905,360 Shares held by certain of its subsidiaries and affiliates. FMR LLC is controlled by Edward C. Johnson 3d, its Director and Chairman, and Abigail P. Johnson, its Director, Vice Chairman, Chief Executive Officer and President. This information is based solely upon a Schedule 13G/A filed on February 13, 2015.

- (6) Based solely on a Schedule 13G filed with the SEC on February 3, 2015, reporting beneficial ownership as of December 31, 2014. Such entities have sole dispositive power as to all Shares and sole voting power with respect to 22,171,924 Shares.
- (7) Consists of 276,181 Shares held by the Narayan Family Trust, of which Mr. Narayan is a trustee, and 382,277 Shares issuable upon exercise of outstanding options held by Mr. Narayan exercisable within 60 days of the date of this table.
- (8) Consists of 50,000 Shares held by the Garrett Living Trust, of which Mr. Garrett is a trustee; 107 Shares held by the Garrett Family Investment Partnership LP; and 8,615 Shares held by Mr. Garrett.
- (9) Includes 1,605 Shares issuable upon exercise of outstanding options held by Mr. Wadhwani exercisable within 60 days of the date of this table.
- (10) Includes 72,400 Shares issuable upon exercise of outstanding options held by Mr. Rencher exercisable within 60 days of the date of this table.
- (11) Includes 3,986 Shares issuable within 60 days of the date of this table upon vesting of restricted stock units held by Ms. Banse.
- (12) Includes 3,986 Shares issuable within 60 days of the date of this table upon vesting of restricted stock units. After vesting, the Shares will be transferred to ValueAct Capital. As a partner of ValueAct Capital, Mr. Barlow may be deemed to be the beneficial owner of additional Shares held by the ValueAct entities, totaling 16,006,753 Shares. Mr. Barlow disclaims beneficial ownership except to the extent of his pecuniary interest in each applicable ValueAct entity.
- (13) Consists of 5,000 Shares held by a family trust, of which Mr. Barnholt is a trustee; 25,712 Shares held by Mr. Barnholt; and 53,986 Shares issuable within 60 days of the date of this table upon vesting of restricted stock units or the exercise of outstanding exercisable options held by Mr. Barnholt.
- (14) Consists of 29,092 Shares held by the Burgess Family Trust, of which Mr. Burgess is a trustee; 1,620 Shares, for which Mr. Burgess has shared voting and dispositive power, held in trust for the benefit of his children; and 53,986 Shares issuable within 60 days of the date of this table upon vesting of restricted stock units or the exercise of outstanding exercisable options held by Mr. Burgess.
- (15) Includes 3,986 Shares issuable within 60 days of the date of this table upon vesting of restricted stock units held by Mr. Calderoni.
- (16) Consists of 5,000 Shares held by the Michael Cannon 2004 Trust, of which Mr. Cannon is a trustee; 25,712 Shares held by Mr. Cannon; and 53,986 Shares issuable within 60 days of the date of this table upon vesting of restricted stock units or the exercise of outstanding exercisable options held by Mr. Cannon.
- (17) Includes 73,102 Shares issuable within 60 days of the date of this table upon vesting of restricted stock units or the exercise of outstanding exercisable options held by Mr. Daley.
- (18) Includes 3,986 Shares issuable within 60 days of the date of this table upon vesting of restricted stock units held by Ms. Desmond.
- (19) Consists of 272,074 Shares held by the Geschke Family Trust, of which Dr. Geschke is a trustee; and 170,171 Shares issuable within 60 days of the date of this table upon vesting of restricted stock units or the exercise of outstanding exercisable options held by Dr. Geschke.
- (20) Consists of 44,156 Shares held by The Rosensweig 2012 Irrevocable Children's Trust, of which Mr. Rosensweig is a trustee and 3,986 Shares issuable within 60 days of the date of this table upon vesting of restricted stock units held by Mr. Rosensweig.
- (21) Includes 91,204 Shares issuable within 60 days of the date of this table upon vesting of restricted stock units or the exercise of outstanding exercisable options held by Dr. Sedgewick.
- (22) Consists of 723,703 Shares held by the Warnock Family Trust, of which Dr. Warnock is a trustee; 18,882 Shares held by Dr. Warnock; and 70,844 Shares issuable upon vesting of restricted stock units or the exercise of outstanding options held by Dr. Warnock exercisable within 60 days of the date of this table.
- (23) Includes 1,092,909 Shares issuable within 60 days of the date of this table upon vesting of restricted stock units or the exercise of outstanding exercisable options held by our directors and current executive officers. See also footnotes 7 through 22.

## 8.2 Stock Plans

### ***Restricted Stock Unit Plans***

We grant restricted stock units to all eligible employees under our 2003 Equity Incentive Plan, as amended ("2003 Plan"), and our 2005 Equity Incentive Assumption Plan ("2005 Assumption Plan"). Restricted stock units granted under these plans as part of our annual review process vest annually over three years. Other restricted stock units granted under these plans generally vest over four years, the

majority of which vest 25% annually. Certain grants have other vesting periods approved by our Board or an authorized committee of the Board.

We grant performance awards to officers and key employees under our 2003 Plan. Performance awards granted under these plans from fiscal 2009 to fiscal 2012 vest annually over three years, and performance awards granted in fiscal 2013 and 2014 cliff-vest after three years. Performance awards granted prior to fiscal 2009 vest annually over four years.

As of November 28, 2014, we had reserved 163.2 million and 5.7 million Shares for issuance under our 2003 Plan and 2005 Assumption Plan, respectively, and had 45.7 million and 28.6 million Shares available for grant under our 2003 Plan and 2005 Assumption Plan, respectively.

For further information, please see Note 8. Stock-Based Compensation on pages 16 – 20 of Adobe's Form 10-Q.

### ***Employee Stock Purchase Plan***

Our ESPP allows eligible employee participants to purchase Shares at a discount through payroll deductions. The ESPP consists of a twenty-four month Offering Period with four six-month Purchase Periods in each Offering Period. Employees purchase Shares in each Purchase Period at 85% of the market value of our Shares at either the beginning of the Offering Period or the end of the Purchase Period, whichever price is lower. The ESPP will continue until the earlier of (i) termination by the Board or (ii) the date on which all of the Shares available for issuance under the plan have been issued.

As of November 28, 2014, we had reserved 93.0 million Shares for issuance under the ESPP and approximately 12.9 million Shares remain available for future issuance.

For further information, please see Note 8. Stock-Based Compensation on pages 16 – 20 of Adobe's Form 10-Q.

### ***Stock Option Plans***

The 2003 Plan and the 2005 Assumption Plan allows us to grant options to all employees, including executive officers, outside consultants and non-employee directors. These plans will continue until the earlier of (i) termination by the Board or (ii) the date on which all of the Shares available for issuance under the plan have been issued and restrictions on issued Shares have lapsed. Option vesting periods are generally four years for all of these plans. Options granted under these plans generally expire seven years from the effective date of grant.

The Executive Compensation Committee of Adobe's Board eliminated the use of stock option grants for all employees in fiscal 2012. Stock option grants to non-employee directors were minimal in fiscal 2013, and in December 2013 the Board eliminated the use of options for directors going forward.

For further information, please see Note 8. Stock-Based Compensation on pages 16 – 20 of Adobe's Form 10-Q.

### ***Performance Share Programs***

On January 26, 2015, our Executive Compensation Committee approved the 2015 Performance Share Program, including the award calculation methodology, under the terms of our 2003 Equity Incentive Plan. Under our 2015 Performance Share Program ("2015 Program"), Shares may be earned based on the achievement of an objective relative total stockholder return measured over a three-year performance period. The purpose of the 2015 Program is to help focus key employees on building stockholder value, provide significant award potential for achieving outstanding Company performance and enhance the ability of the Company to attract and retain highly talented and competent individuals. Performance share

awards will be awarded and fully vest upon the Executive Compensation Committee's certification of the level of achievement following the three-year anniversary of the grant date on January 24, 2018. Participants in the 2015 Program generally have the ability to receive up to 200% of the target number of Shares originally granted.

For further information, please see Note 8. Stock-Based Compensation on pages 16 – 20 of Adobe's Form 10-Q.

### **Issuance of Shares**

Upon exercise of stock options, vesting of restricted stock and performance shares, and purchases of Shares under the ESPP, we will issue treasury stock. If treasury stock is not available, Shares will be issued. In order to minimize the impact of on-going dilution from exercises of stock options and vesting of restricted stock and performance shares, we instituted a stock repurchase program. See Note 13 in Adobe's Form 10-K for information regarding our stock repurchase programs and Note 10. in Adobe's Form 10-Q for information regarding our stock repurchase programs.

## **IX. WORKING CAPITAL STATEMENT**

Based on its current business plan and revenue prospects, Adobe believes that its existing balances, its anticipated cash flows from operations and the available balance under its credit facility will be sufficient to meet its working capital and operating resource expenditure requirements (including debt service) for the next twelve months.

## **X. SELECTED FINANCIAL INFORMATION**

### **10.1 Selected Financial Data**

The selected financial data of Adobe set out in this prospectus have been derived in part from Adobe's consolidated financial statements prepared in accordance with U.S. GAAP. They are derived in part from and should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and Adobe's consolidated financial statements and notes thereto appearing respectively on pages 36 – 57 and 61 – 106 of Adobe's Form 10-K, and its condensed consolidated financial statements and related notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations appearing respectively on pages 3 – 28 and 29 – 42 of Adobe's Form 10-Q.

### **SELECTED THREE-YEAR FINANCIAL DATA** (In thousands of US Dollars, except per share amounts and employee data)

	Fiscal Years		
	2014	2013	2012
Operations:			
Revenue	\$ 4,147,065	\$ 4,055,240	\$ 4,403,677
Gross profit	\$ 3,524,985	\$ 3,468,683	\$ 3,919,895
Income before income taxes	\$ 361,376	\$ 356,141	\$ 1,118,794
Net income	\$ 268,395	\$ 289,985	\$ 832,775
Net income per share:			
Basic	\$ 0.54	\$ 0.58	\$ 1.68
Diluted	\$ 0.53	\$ 0.56	\$ 1.66
Shares used to compute basic net income per share	497,867	501,372	494,731

	Fiscal Years		
	2014	2013	2012
Shares used to compute diluted net income per share	508,480	513,476	502,721
Cash dividends declared per common share	\$ —	\$ —	\$ —
Financial position: <sup>(1)</sup>			
Cash, cash equivalents and short-term investments	\$ 3,739,491	\$ 3,173,752	\$ 3,538,353
Working capital	\$ 2,107,893	\$ 2,520,281	\$ 3,125,314
Total assets	\$ 10,785,829	\$ 10,380,298	\$ 10,040,229
Debt and capital lease obligations, non-current	\$ 911,086	\$ 1,499,297	\$ 1,496,938
Stockholders' equity	\$ 6,775,905	\$ 6,724,634	\$ 6,665,182
Additional data:			
Worldwide employees	12,499	11,847	11,144

(1) Information associated with Adobe's financial position is as of the Friday closest to November 30 for the three fiscal periods through 2014.

**SELECTED QUARTERLY DATA**  
(In thousands of US Dollars, except per share data – Unaudited)

	Three months ended	
	February 27, 2015	February 28, 2014
<b>Condensed Consolidated Statements of Income Data</b>		
Total revenue	\$ 1,109,181	\$ 1,000,120
Gross profit	\$ 942,383	\$ 851,611
Income before income taxes	\$ 163,248	\$ 64,892
Net income	\$ 84,888	\$ 47,046
Basic net income per share	\$ 0.17	\$ 0.09
Diluted net income per share	\$ 0.17	\$ 0.09
	February 27, 2015	November 28, 2014*
<b>Condensed Consolidated Balance Sheet Data</b>		
Cash, cash equivalents and short-term investments	\$ 3,176,820	\$ 3,739,491
Total assets	\$ 11,008,422	\$ 10,785,829
Debt and capital lease obligations	\$ 1,901,618	\$ 1,514,315
Total liabilities	\$ 4,419,402	\$ 4,009,924
Total stockholders' equity	\$ 6,589,020	\$ 6,775,905

\* Derived from audited consolidated balance sheet.

## 10.2 Independent Registered Public Accounting Firm

The independent registered public accounting firm of Adobe is KPMG LLP, Santa Clara, California, U.S.A. KPMG LLP is registered with the Public Company Accounting Oversight Board (United States) and a member of the American Institute of Certified Public Accountants.

## XI. DOCUMENTS ON DISPLAY

Adobe's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge on its Investor Relations website at [www.adobe.com/adbe](http://www.adobe.com/adbe) as soon as reasonably practicable after Adobe electronically files such material with, or furnishes it to, the SEC. In addition, investors can obtain copies of Adobe's SEC filings free of charge from the SEC Web site at [www.sec.gov](http://www.sec.gov).



Adobe's Form 10-K, Adobe's Form 10-Q and Adobe's Proxy Statement, referred to in this prospectus, may be obtained free of charge upon request by an employee.

Adobe expects to issue after market close on June 16, 2015, its earnings release for the quarter ended May 29, 2015. The quarterly report on Form 10-Q for such quarter will be filed with the SEC no later than July 8, 2015. The annual report on Form 10-K for the fiscal year ending November 27, 2015 will be filed with the SEC no later than January 26, 2016. These documents will be available on the websites of Adobe and the SEC indicated above.

## **XII. TAX CONSEQUENCES**

### **12.1 France Tax Consequences**

The following summary is based on the income and social tax laws in effect in France as of the date of this prospectus. Such laws are complex and can change frequently. As a result, the information below may be out of date at the time the Participating Employee purchases Shares, sells Shares or receives dividends.

The following applies only to Participating Employees who are French tax residents. If the Participating Employee is a citizen or resident of another country for local law purposes or transfers employment after enrolling in the ESPP, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participating Employee's particular tax or financial situation, and Adobe is not in a position to assure them of any particular tax result.

The Participating Employees should address any particular questions to a specialized advisor.

#### **Enrollment in the ESPP**

The Participating Employee is not subject to tax when he/she enrolls in the ESPP or a new Purchase Period begins.

#### **Purchase of Shares**

When Shares are purchased under the ESPP, the Participating Employee will be subject to income tax on the difference between the Fair Market Value of the Shares on the Purchase Date and the Purchase Price. In addition, the Participating Employee also will be subject to social security contributions on this amount. The Shares acquired under the ESPP have to be included in the Participating Employee's personal estate for wealth tax purposes, unless a full or partial wealth tax exemption applies.

#### **Dividends**

If Shares are acquired under the ESPP, dividends may be paid with respect to those Shares if Adobe, in its discretion, declares a dividend. Any dividends paid will be subject to tax in France and to U.S. federal income tax withheld at source. The Participating Employee may be entitled to a tax credit for the U.S. federal tax withheld.

#### **Sale of Shares**

The Participating Employee will be subject to personal income tax on any gain (*i.e.*, the difference between the sale price and the Fair Market Value of the Shares on the Purchase Date) realized at progressive rates plus additional social taxes. A portion of the social taxes paid may be deductible from the Participating Employee's taxable income in the year following the year in which the social taxes are

paid. The Participating Employee may benefit for a reduction of his or her taxable basis for personal income tax purposes only (but not for social taxes) if the Shares are held for a certain number of years.

Please note that an additional surtax applies to income in excess of certain thresholds. The surtax applies to all types of income received during a calendar year, including the taxable amount at purchase and any capital gain realized upon the sale of Shares. If the threshold is met for the current year, but has not been met in the two prior tax years, the Participating Employee should consult with his or her personal tax advisor or tax office regarding the available surtax reduction.

### **Withholding and Reporting**

The Participating Employee's employer will not withhold income tax when Shares are purchased under the ESPP, but will withhold social security contributions. In addition, the Participating Employee's employer will report the discount on its annual declaration of salaries and on the Participating Employee's pay slip. The Participating Employee is responsible for reporting and paying any income tax and additional social taxes due on his or her annual tax return as a result of the Shares purchased under the ESPP, the sale of Shares acquired under the ESPP or the receipt of any dividends. In addition, the Participating Employee is responsible for reporting and paying wealth tax (if applicable) when he or she files his or her wealth tax return.

### **12.2 German Tax Consequences**

The following summary is based on the income and social tax laws in effect in Germany as of the date of this prospectus. Such laws are complex and can change frequently. As a result, the information below may be out of date at the time the Participating Employee purchases Shares, sells Shares or receives dividends.

The following applies only to Participating Employees who are German tax residents. If the Participating Employee is a citizen or resident of another country for local law purposes or transfers employment after enrolling in the ESPP, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participating Employee's particular tax or financial situation, and Adobe is not in a position to assure them of any particular tax result.

The Participating Employees should address any particular questions to a specialized advisor.

### **Enrollment in the ESPP**

The Participating Employee is not subject to tax when he/she enrolls in the ESPP or a new Purchase Period begins.

### **Purchase of Shares**

When Shares are purchased under the ESPP, the Participating Employee will be subject to income tax on the difference between the Fair Market Value of the Shares on the Purchase Date and the Purchase Price. The Participating Employee also will be subject to social insurance contributions on this amount to the extent he/she has not already exceeded his/her applicable contribution ceiling, to solidarity surcharge and to church tax, if applicable.

The German Income Tax Act provides favorable tax treatment if certain conditions are met.

### **Dividends**

If Shares are acquired under the ESPP, dividends may be paid with respect to those Shares if Adobe, in its discretion, declares a dividend. Any dividends paid will be subject to tax in Germany and to U.S.

federal income tax withheld at source. The Participating Employee may be entitled to a tax credit for the U.S. federal tax withheld.

### **Sale of Shares**

If the Participating Employee sells Shares that were acquired on or after January 1, 2009, the Participating Employee will be subject to capital gains at a flat rate plus a solidarity surcharge and church tax, if applicable, provided the Participating Employee does not own 1% or more of Adobe's stated capital (and has not owned 1% or more at any time in the last five years) and the Shares are not held as business assets, subject to an annual threshold exempt amount. If the flat tax exceeds the Participating Employee's standard progressive income tax rate, the Participating Employee may elect a personal assessment to apply his/her standard income tax rate (plus solidarity surcharge). The taxable gain will be the difference between the sale price and the Fair Market Value of the Shares on the Purchase Date. (Different capital gains treatment applies to shares acquired prior to January 1, 2009.)

### **Withholding and Reporting**

The Participating Employee's employer will withhold income tax and social insurance contributions (to the extent he/she has not exceeded his/her applicable ceiling for social insurance contributions), solidarity surcharge and church tax (if applicable) on the taxable amount. The Participating Employee's employer will report the income recognized when Shares are purchased. Should there be a difference between the actual tax liability and the amount withheld, the tax office may assess additional taxes after review of the Participating Employee's annual tax return. It is the Participating Employee's responsibility to report and pay taxes resulting from the sale of Shares or receipt of any dividends.

### **12.3 Romanian Tax Consequences**

The following summary is based on the income and social tax laws in effect in Romania as of the date of this prospectus. Such laws are complex and can change frequently. As a result, the information below may be out of date at the time the Participating Employee purchases Shares, sells Shares or receives dividends.

The following applies only to Participating Employees who are Romanian tax residents. If the Participating Employee is a citizen or resident of another country for local law purposes or transfers employment after enrolling in the ESPP, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participating Employee's particular tax or financial situation, and Adobe is not in a position to assure them of any particular tax result.

The Participating Employees should address any particular questions to a specialized advisor.

### **Enrollment in the ESPP**

The Participating Employee likely is not subject to tax when he/she enrolls in the ESPP or a new Purchase Period begins.

### **Purchase of Shares**

When Shares are purchased under the ESPP, the Participating Employee may be subject to income tax and social insurance contributions.

### **Dividends**

If Shares are acquired under the ESPP, dividends may be paid with respect to those Shares if Adobe, in its discretion, declares a dividend. Any dividends paid will be subject to tax in Romania and to U.S.

federal income tax withheld at source. The Participating Employee may be entitled to a tax credit for the U.S. federal tax withheld.

### **Sale of Shares**

When the Participating Employee subsequently sells Shares purchased under the ESPP, the Participating Employee will be subject to capital gains tax on the difference between the sale price and the Purchase Price.

### **Withholding and Reporting**

The Participating Employee's employer may be required to withhold or report tax and social insurance contributions when Shares are purchased under the ESPP. However, the Participating Employee is responsible for reporting and paying any income tax and social insurance contributions when Shares are purchased under the ESPP if the Participating Employee's employer determines that it is not required or is not able to withhold. Ultimately it is the Participating Employee's responsibility to report and pay taxes due in connection with the purchase and sale of Shares or receipt of any dividends.

## **12.4 United Kingdom Tax Consequences**

The following summary is based on the income and social tax laws in effect in the United Kingdom as of the date of this prospectus. Such laws are complex and can change frequently. As a result, the information below may be out of date at the time the Participating Employee purchases Shares, sells Shares or receives dividends.

The following applies only to Participating Employees who are resident, ordinarily resident and domiciled in the United Kingdom and will remain so up to the date Shares they received pursuant to any stock based award are sold, and are not subject to the remittance basis of taxation. If the Participating Employee is a citizen or resident of another country for local law purposes or transfers employment after enrolling in the ESPP, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participating Employee's particular circumstances or tax or financial situation, and Adobe is not in a position to assure them of any particular tax result.

The Participating Employees are strongly advised to consult their own independent personal tax advisor as to how the tax or other laws in their country apply to their specific situation.

### **Enrollment in the ESPP**

The Participating Employee is not subject to tax when he/she enrolls in the ESPP or a new Purchase Period begins.

### **Purchase of Shares**

When Shares are purchased under the ESPP, the Participating Employee will be subject to income tax on the difference between the Fair Market Value of the Shares on the Purchase Date and the Purchase Price. In addition, the Participating Employee will be subject to employee's national insurance contributions ("NICs") on this amount. If noted in the Participating Employee's Enrollment Documents, the Participating Employee also may be responsible for employer NICs.

The Participating Employee's employer will calculate the income tax and employee's NICs due when Shares are purchased under the ESPP and will account for these amounts to HM Revenue & Customs ("HMRC") on the Participating Employee's behalf. The Participating Employee is required to reimburse the employer for these amounts. The employer will withhold income tax and employee NICs when Shares are purchased for the Participating Employee under the ESPP.

## Dividends

If Shares are acquired under the ESPP, dividends may be paid with respect to those Shares if Adobe, in its discretion, declares a dividend. Any dividends paid will be subject to income tax in the U.K. (but not NICs) and to U.S. federal tax withheld at source. The Participating Employee may be entitled to a U.K. tax credit for the U.S. taxes paid provided certain conditions are met.

## Sale of Shares

When the Participating Employee subsequently sells the Shares acquired under the ESPP, any capital gain (*i.e.*, the difference between the sale price and the Fair Market Value of the Shares on the Purchase Date) will be subject to capital gains tax. However, capital gains tax is payable only if the total capital gain exceeds the annual exemption amount.

Also, if the Participating Employee acquires Shares, the Participating Employee will need to take into account the share identification rules in calculating any capital gains tax liability.

## Withholding and Reporting

As mentioned above, the Participating Employee's employer will withhold income tax and NICs on the taxable amount when Shares are purchased under the ESPP (the "Taxable Event"). If the amount withheld is not sufficient to cover the Participating Employee's actual liability, the Participating Employee will be responsible for paying the difference within 90 days after the end of the U.K. tax year in which the Taxable Event occurs, or such other period specified in Section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 to avoid further tax consequences. If the Participating Employee fails to pay this amount to the employer within that time limit, the Participating Employee may be treated as having received a deemed loan or benefit in kind (depending on the Participating Employee's circumstances) equal to the amount of tax not paid to the employer and the Participating Employee may have to pay further tax on this benefit. The employer is not required to withhold tax on the benefit in kind, and the Participating Employee must include this in his/her self-assessment tax return for the tax year in which the purchase occurs.

The Participating Employee's employer also is required to report the details of the grant of purchase rights and the acquisition of stock pursuant to the ESPP to HMRC on its Annual Share Schemes Return and the Return of Benefits Return it prepares in relation to all benefits received by a Participating Employee for the particular tax year.

The Participating Employee will be responsible for paying and reporting any taxes due as a result of the sale of Shares acquired under the ESPP or the receipt of any dividends.

**EXHIBITS**

**EXHIBIT I**

**THE ADOBE SYSTEMS INCORPORATED  
1997 EMPLOYEE STOCK PURCHASE PLAN, AS AMENDED**

# ADOBE SYSTEMS INCORPORATED 1997 EMPLOYEE STOCK PURCHASE PLAN

(as amended as of April 21, 2011)

## 1. Purpose and Term of Plan.

1.1 **Purpose.** The purpose of the Adobe Systems Incorporated 1997 Employee Stock Purchase Plan (the “Plan”) is to provide Eligible Employees of the Participating Company Group with an opportunity to acquire a proprietary interest in the Company through the purchase of Stock. The Company intends that the Plan qualify as an “employee stock purchase plan” under Section 423 of the Code (including any amendments or replacements of such section), and the Plan shall be so construed.

1.2 **Term of Plan.** The Plan shall continue in effect until the earlier of its termination by the Board or the date on which all of the shares of Stock available for issuance under the Plan have been issued.

## 2. Definitions and Construction.

2.1 **Definitions.** Any term not expressly defined in the Plan but defined for purposes of Section 423 of the Code shall have the same definition herein. Whenever used herein, the following terms shall have their respective meanings set forth below:

(a) “**Board**” means the Board of Directors of the Company. If one or more Committees have been appointed by the Board to administer the Plan, “Board” also means such Committee(s).

(b) “**Code**” means the Internal Revenue Code of 1986, as amended, and any applicable regulations promulgated thereunder.

(c) “**Committee**” means a committee of the Board duly appointed to administer the Plan and having such powers as shall be specified by the Board. Unless the powers of the Committee have been specifically limited, the Committee shall have all of the powers of the Board granted herein, including, without limitation, the power to amend or terminate the Plan at any time, subject to the terms of the Plan and any applicable limitations imposed by law.

(d) “**Company**” means Adobe Systems Incorporated, a Delaware corporation, or any successor corporation thereto.

(e) “**Compensation**” means, with respect to any Offering Period, base wages or salary, overtime, bonuses, commissions, shift differentials, payments for paid time off, payments in lieu of notice, and compensation deferred under any program or plan, including, without limitation, pursuant to Section 401(k) or Section 125 of the Code. Compensation shall be limited to amounts actually payable in cash or deferred during the Offering Period.

Compensation shall not include moving allowances, payments pursuant to a severance agreement, termination pay, relocation payments, sign-on bonuses, any amounts directly or



indirectly paid pursuant to the Plan or any other stock purchase or stock option plan, or any other compensation not included above.

(f) “**Eligible Employee**” means an Employee who meets the requirements set forth in Section 5 for eligibility to participate in the Plan.

(g) “**Employee**” means a person treated as an employee of a Participating Company for purposes of Section 423 of the Code. A Participant shall be deemed to have ceased to be an Employee either upon an actual termination of employment or upon the corporation employing the Participant ceasing to be a Participating Company. For purposes of the Plan, an individual shall not be deemed to have ceased to be an Employee while such individual is on a bona fide leave of absence approved by the Company of ninety (90) days or less. In the event an individual's leave of absence exceeds ninety (90) days, the individual shall be deemed to have ceased to be an Employee on the ninety-first (91st) day of such leave unless the individual's right to reemployment with the Participating Company Group is guaranteed either by statute or by contract. The Company shall determine in good faith and in the exercise of its discretion whether an individual has become or has ceased to be an Employee and the effective date of such individual's employment or termination of employment, as the case may be. All such determinations by the Company shall be, for purposes of an individual's participation in or other rights under the Plan as of the time of the Company's determination, final, binding and conclusive, notwithstanding that the Company or any governmental agency subsequently makes a contrary determination.

(h) “**Fair Market Value**” means, as of any date, if there is then a public market for the Stock, the closing sale price of a share of Stock (or the mean of the closing bid and asked prices if the Stock is so quoted instead) as quoted on the Nasdaq Global Select Market, the Nasdaq Small-Cap Market or such other national or regional securities exchange or market system constituting the primary market for the Stock, as reported in The Wall Street Journal or such other source as the Company deems reliable. If the relevant date does not fall on a day on which the Stock has traded on such securities exchange or market system, the date on which the Fair Market Value shall be established shall be the last day on which the Stock was so traded prior to the relevant date, or such other appropriate day as shall be determined by the Board, in its sole discretion. If there is then no public market for the Stock, the Fair Market Value on any relevant date shall be as determined by the Board without regard to any restriction other than a restriction which, by its terms, will never lapse.

(i) “**Offering**” means an offering of Stock as provided in Section 6.

(j) “**Offering Date**” means, for any Offering Period, the first day of such Offering Period.

(k) “**Offering Period**” means a period established in accordance with Section 6.1.

(l) “**Parent Corporation**” means any present or future “parent corporation” of the Company, as defined in Section 424(e) of the Code.

(m) “**Participant**” means an Eligible Employee who has become a participant in an Offering Period in accordance with Section 7 and remains a participant in accordance with the Plan.

(n) “**Participating Company**” means the Company or any Parent Corporation or Subsidiary Corporation designated by the Board as a corporation the Employees of which may, if Eligible Employees, participate in the Plan. The Board shall have the sole and absolute discretion to determine from time to time which Parent Corporations or Subsidiary Corporations shall be Participating Companies.

(o) “**Participating Company Group**” means, at any point in time, the Company and all other corporations collectively which are then Participating Companies.

(p) “**Purchase Date**” means, for any Purchase Period, the last day of such period.

(q) “**Purchase Period**” means a period established in accordance with Section 6.2.

(r) “**Purchase Price**” means the price at which a share of Stock may be purchased under the Plan, as determined in accordance with Section 9.

(s) “**Purchase Right**” means an option granted to a Participant pursuant to the Plan to purchase such shares of Stock as provided in Section 8, which the Participant may or may not exercise during the Offering Period in which such option is outstanding. Such option arises from the right of a Participant to withdraw any accumulated payroll deductions of the Participant not previously applied to the purchase of Stock under the Plan and to terminate participation in the Plan at any time during an Offering Period.

(t) “**Stock**” means the common stock of the Company, as adjusted from time to time in accordance with Section 4.2.

(u) “**Subscription Agreement**” means a written agreement in such form as specified by the Company, stating an Employee's election to participate in the Plan and authorizing payroll deductions under the Plan from the Employee's Compensation.

(v) “**Subscription Date**” means the last business day prior to the Offering Date of an Offering Period or such earlier date as the Company shall establish.

(w) “**Subsidiary Corporation**” means any present or future “subsidiary corporation” of the Company, as defined in Section 424(f) of the Code.

**2.2 Construction.** Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

### **3. Administration.**

**3.1 *Administration by the Board.*** The Plan shall be administered by the Board, including any duly appointed Committee of the Board. All questions of interpretation of the Plan, of any form of agreement or other document employed by the Company in the administration of the Plan, or of any Purchase Right shall be determined by the Board and shall be final and binding upon all persons having an interest in the Plan or the Purchase Right. Subject to the provisions of the Plan, the Board shall determine all of the relevant terms and conditions of Purchase Rights granted pursuant to the Plan; provided, however, that all Participants granted Purchase Rights pursuant to the Plan shall have the same rights and privileges within the meaning of Section 423(b)(5) of the Code to the extent required by applicable law. All expenses incurred in connection with the administration of the Plan shall be paid by the Company.

**3.2 *Authority of Officers.*** Any officer of the Company shall have the authority to act on behalf of the Company with respect to any matter, right, obligation, determination or election that is the responsibility of or that is allocated to the Company herein, provided that the officer has apparent authority with respect to such matter, right, obligation, determination or election.

**3.3 *Policies and Procedures Established by the Company.*** The Company may, from time to time, consistent with the Plan and the requirements of Section 423 of the Code, establish, change or terminate such rules, guidelines, policies, procedures, limitations, or adjustments as deemed advisable by the Company, in its sole discretion, for the proper administration of the Plan, including, without limitation, (a) a minimum payroll deduction amount required for participation in an Offering, (b) a limitation on the frequency or number of changes permitted in the rate of payroll deduction during an Offering, (c) an exchange ratio applicable to amounts withheld in a currency other than United States dollars, (d) a payroll deduction greater than or less than the amount designated by a Participant, or the acceptance by the Company of a direct payment from a Participant, in order to adjust for the Company's delay or mistake in processing a Subscription Agreement or in otherwise effecting a Participant's election under the Plan or as advisable to comply with the requirements of Section 423 of the Code, and (e) determination of the date and manner by which the Fair Market Value of a share of Stock is determined for purposes of administration of the Plan.

### **4. Shares Subject to Plan.**

**4.1 *Maximum Number of Shares Issuable.*** Subject to adjustment as provided in Section 4.2, and effective upon approval by the stockholders of the Company, the maximum aggregate number of shares of Stock that may be issued under the Plan shall be ninety-three million (93,000,000) and shall consist of authorized but unissued or reacquired shares of Stock, or any combination thereof. If an outstanding Purchase Right for any reason expires or is terminated or canceled, the shares of Stock allocable to the unexercised portion of such Purchase Right shall again be available for issuance under the Plan.

**4.2 *Adjustments for Changes in Capital Structure.*** In the event of any stock dividend, stock split, reverse stock split, recapitalization, combination, reclassification or similar change in the capital structure of the Company, or in the event of any merger (including a merger effected for the purpose of changing the Company's domicile), sale of assets or other reorganization in which the Company is a party, appropriate adjustments shall be made in the number and class of shares subject to the Plan and each Purchase Right and in the Purchase Price. If a majority of the

shares which are of the same class as the shares that are subject to outstanding Purchase Rights are exchanged for, converted into, or otherwise become (whether or not pursuant to an Ownership Change Event) shares of another corporation (the “**New Shares**”), the Board may unilaterally amend the outstanding Purchase Rights to provide that such Purchase Rights are exercisable for New Shares. In the event of any such amendment, the number of shares subject to, and the Purchase Price of, the outstanding Purchase Rights shall be adjusted in a fair and equitable manner, as determined by the Board, in its sole discretion. Notwithstanding the foregoing, any fractional share resulting from an adjustment pursuant to this Section 4.2 shall be rounded down to the nearest whole number, and in no event may the Purchase Price be decreased to an amount less than the par value, if any, of the stock subject to the Purchase Right. The adjustments determined by the Board pursuant to this Section 4.2 shall be final, binding and conclusive.

## **5. Eligibility.**

**5.1 *Employees Eligible to Participate.*** Each Employee of a Participating Company is eligible to participate in the Plan and shall be deemed an Eligible Employee, except the following:

(a) Any Employee who is customarily employed by the Participating Company Group for less than twenty (20) hours per week; or

(b) Any Employee who is customarily employed by the Participating Company Group for not more than five (5) months in any calendar year;

provided, however, that Employees of a Participating Company may be Eligible Employees even if their customary employment is less than twenty (20) hours per week and/or five (5) months per calendar year, to the extent required by local law.

**5.2 *Exclusion of Certain Stockholders.*** Notwithstanding any provision of the Plan to the contrary, no Employee shall be granted a Purchase Right under the Plan if, immediately after such grant, such Employee would own or hold options to purchase stock of the Company or of any Parent Corporation or Subsidiary Corporation possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of such corporation, as determined in accordance with Section 423(b)(3) of the Code. For purposes of this Section 5.2, the attribution rules of Section 424(d) of the Code shall apply in determining the stock ownership of such Employee.

## **6. Offerings.**

**6.1 *Offering Periods.*** Except as otherwise set forth below, the Plan shall be implemented by Offerings of approximately twenty-four (24) months duration or such other duration as the Board shall determine. Offering Periods shall commence on or about January 1 and July 1 of each year and end on or about the second December 31 and June 30, respectively, occurring thereafter. Notwithstanding the foregoing, the Board may establish a different duration for one or more future Offering Periods or different commencing or ending dates for such Offering Periods; provided, however, that no Offering Period may have a duration exceeding twenty-seven (27) months. If the first or last day of an Offering Period is not a day on which the national securities exchanges or Nasdaq Global Select Market are open for trading, the Company shall specify the trading day that will be deemed the first or last day, as the case may be, of the Offering Period.

**6.2 *Purchase Periods.*** Each Offering Period shall consist of four (4) consecutive Purchase Periods of approximately six (6) months duration, or such other number or duration as the Board shall determine. A Purchase Period commencing on or about January 1 shall end on or about the next June 30. A Purchase Period commencing on or about July 1 shall end on or about the next December 31. Notwithstanding the foregoing, the Board may establish a different duration for one or more future Purchase Periods or different commencing or ending dates for such Purchase Periods. If the first or last day of a Purchase Period is not a day on which the national securities exchanges or Nasdaq Global Select Market are open for trading, the Company shall specify the trading day that will be deemed the first or last day, as the case may be, of the Purchase Period.

## **7. Participation in the Plan.**

**7.1 *Initial Participation.*** An Eligible Employee may become a Participant in an Offering Period by delivering a properly completed Subscription Agreement to the office designated by the Company not later than the close of business for such office on the Subscription Date established by the Company for such Offering Period. An Eligible Employee who does not deliver a properly completed Subscription Agreement to the Company's designated office on or before the Subscription Date for an Offering Period shall not participate in the Plan for that Offering Period or for any subsequent Offering Period unless such Eligible Employee subsequently delivers a properly completed Subscription Agreement to the appropriate office of the Company on or before the Subscription Date for such subsequent Offering Period. An Employee who becomes an Eligible Employee on or after the Offering Date of an Offering Period shall not be eligible to participate in such Offering Period but may participate in any subsequent Offering Period provided such Employee is still an Eligible Employee as of the Offering Date of such subsequent Offering Period.

**7.2 *Continued Participation.*** A Participant shall automatically participate in the next Offering Period commencing immediately after the final Purchase Date of each Offering Period in which the Participant participates provided that such Participant remains an Eligible Employee on the Offering Date of the new Offering Period and has not either (a) withdrawn from the Plan pursuant to Section 12.1 or (b) terminated employment as provided in Section 13. A Participant who may automatically participate in a subsequent Offering Period, as provided in this Section 7.2, is not required to deliver any additional Subscription Agreement for the subsequent Offering Period in order to continue participation in the Plan. However, a Participant may deliver a new Subscription Agreement for a subsequent Offering Period in accordance with the procedures set forth in Section 7.1 if the Participant desires to change any of the elections contained in the Participant's then effective Subscription Agreement. Eligible Employees may not participate simultaneously in more than one Offering.

## **8. Right to Purchase Shares.**

**8.1 *Grant of Purchase Right.*** Except as set forth below, on the Offering Date of each Offering Period, each Participant in such Offering Period shall be granted automatically a Purchase Right consisting of an option to purchase five thousand (5,000) shares of Stock. No Purchase Right shall be granted on an Offering Date to any person who is not, on such Offering Date, an Eligible Employee.

**8.2 *Pro Rata Adjustment of Purchase Right.*** Notwithstanding the provisions of Section 8.1, and except as otherwise provided in Section 14.2, if the Board establishes an Offering Period of less than twenty-three and one-half (23½) months or more than twenty-four and one-half

(24½) months in duration, the number of whole shares of Stock subject to a Purchase Right shall be determined by multiplying 208.33 shares by the number of months (rounded to the nearest whole month) in the Offering Period and disregarding any resulting fractional share.

**8.3 *Calendar Year Purchase Limitation.*** Notwithstanding any provision of the Plan to the contrary, no Purchase Right shall entitle a Participant to purchase shares of Stock under the Plan at a rate which, when aggregated with such Participant's rights to purchase shares under all other employee stock purchase plans of a Participating Company intended to meet the requirements of Section 423 of the Code, exceeds Twenty-Five Thousand Dollars (\$25,000) in Fair Market Value (or such other limit, if any, as may be imposed by the Code) for each calendar year in which such Purchase Right has been outstanding at any time. For purposes of the preceding sentence, the Fair Market Value of shares purchased during a given Offering Period shall be determined as of the Offering Date for such Offering Period. The limitation described in this Section 8.3 shall be applied in conformance with applicable regulations under Section 423(b)(8) of the Code.

**9. Purchase Price.** The Purchase Price at which each share of Stock may be acquired in an Offering Period upon the exercise of all or any portion of a Purchase Right shall be established by the Board; provided, however, that the Purchase Price shall not be less than eighty-five percent (85%) of the lesser of (a) the Fair Market Value of a share of Stock on the Offering Date of the Offering Period or (b) the Fair Market Value of a share of Stock on the Purchase Date. Unless otherwise provided by the Board prior to the commencement of an Offering Period, the Purchase Price for that Offering Period shall be eighty-five percent (85%) of the lesser of (a) the Fair Market Value of a share of Stock on the Offering Date of the Offering Period, or (b) the Fair Market Value of a share of Stock on the Purchase Date.

**10. Accumulation of Purchase Price through Payroll Deduction.** Shares of Stock acquired pursuant to the exercise of all or any portion of a Purchase Right may be paid for only by means of payroll deductions from the Participant's Compensation accumulated during the Offering Period for which such Purchase Right was granted, subject to the following:

**10.1 *Amount of Payroll Deductions.*** Except as otherwise provided herein, the amount to be deducted under the Plan from a Participant's Compensation on each payday during an Offering Period shall be determined by the Participant's Subscription Agreement. The Subscription Agreement shall set forth the percentage of the Participant's Compensation to be deducted on each payday during an Offering Period in whole percentages of not less than one percent (1%) (except as a result of an election pursuant to Section 10.3 to stop payroll deductions made effective following the first payday during an Offering) or more than twenty-five percent (25%). Notwithstanding the foregoing, the Board may change the limits on payroll deductions effective as of any future Offering Date.

**10.2 *Commencement of Payroll Deductions.*** Payroll deductions shall commence on the first payday following the Offering Date and shall continue to the end of the Offering Period unless sooner altered or terminated as provided herein.

**10.3 *Election to Change or Stop Payroll Deductions.*** Subject to any limitations imposed by the Board prior to the commencement of an Offering Period, during an Offering Period, a Participant may elect to increase or decrease the rate of or to stop deductions from his or her Compensation by delivering to the Company's designated office an amended Subscription

Agreement authorizing such change on or before the “Change Notice Date.” The “**Change Notice Date**” shall be a date prior to the beginning of the first pay period for which such election is to be effective as established by the Company from time to time and announced to the Participants. A Participant who elects to decrease the rate of his or her payroll deductions to zero percent (0%) shall nevertheless remain a Participant in the current Offering Period unless such Participant withdraws from the Plan as provided in Section 12.1. Until otherwise provided by the Board, for all Offering Periods that commence on or after January 1, 2008, a Participant may only elect to decrease the rate of, or to stop, deductions from his or her Compensation during any on-going Offering Period, and may only increase his or her rate of deductions as to future Offering Periods; except however, that any increase to a Participant’s election approved by the Company as a result of the Company's delay or mistake in processing a Subscription Agreement or in otherwise effecting a Participant's election under the Plan shall not be subject to these increase limitations.

10.4 **Participant Accounts.** Individual bookkeeping accounts shall be maintained for each Participant. All payroll deductions from a Participant's Compensation shall be credited to such Participant's Plan account and shall be deposited with the general funds of the Company. All payroll deductions received or held by the Company may be used by the Company for any corporate purpose.

10.5 **No Interest Paid.** Interest shall not be paid on sums deducted from a Participant's Compensation pursuant to the Plan.

10.6 **Administrative Errors.** Notwithstanding the above, in the case of an administrative error by the Company, the Company may choose to accept a direct payment from a Participant in order to adjust for the Company's delay or mistake in processing a Subscription Agreement or in otherwise effecting a Participant's election under the Plan or as advisable to comply with the requirements of Section 423 of the Code.

## 11. **Purchase of Shares.**

11.1 **Exercise of Purchase Right.** On each Purchase Date of an Offering Period, each Participant who has not withdrawn from the Plan and whose participation in the Offering has not terminated before such Purchase Date shall automatically acquire pursuant to the exercise of the Participant's Purchase Right the number of whole shares of Stock determined by dividing (a) the total amount of the Participant's payroll deductions accumulated in the Participant's Plan account during the Offering Period and not previously applied toward the purchase of Stock by (b) the Purchase Price. However, in no event shall the number of shares purchased by the Participant during an Offering Period exceed the number of shares subject to the Participant's Purchase Right. No shares of Stock shall be purchased on a Purchase Date on behalf of a Participant whose participation in the Offering or the Plan has terminated before such Purchase Date.

11.2 **Pro Rata Allocation of Shares.** In the event that the number of shares of Stock which might be purchased by all Participants in the Plan on a Purchase Date exceeds the number of shares of Stock available in the Plan as provided in Section 4.1, the Company shall make a pro rata allocation of the remaining shares in as uniform a manner as shall be practicable and as the Company shall determine to be equitable. Any fractional share resulting from such pro rata allocation to any Participant shall be disregarded.

**11.3 *Delivery of Certificates.*** As soon as practicable after each Purchase Date, the Company shall arrange the delivery to each Participant, as appropriate, of a certificate representing the shares acquired by the Participant on such Purchase Date; provided that the Company may deliver such shares to a broker that holds such shares in street name for the benefit of the Participant. Shares to be delivered to a Participant under the Plan shall be registered in the name of the Participant, or, if requested by the Participant, in the name of the Participant and his or her spouse, or, if applicable, in the names of the heirs of the Participant. Notwithstanding the foregoing, to the extent permitted by applicable law and the Company's governing documents, the Company may refrain from issuing paper certificates and may instead cause the issuance of the shares to the Participant under this Plan to be recorded electronically on the books of the Company, the applicable transfer agent and/or broker, as applicable.

**11.4 *Return of Cash Balance.*** Any cash balance remaining in a Participant's Plan account following any Purchase Date shall be refunded to the Participant as soon as practicable after such Purchase Date. However, if the cash to be returned to a Participant pursuant to the preceding sentence is an amount less than the amount that would have been necessary to purchase an additional whole share of Stock on such Purchase Date, the Company may retain such amount in the Participant's Plan account to be applied toward the purchase of shares of Stock in the subsequent Purchase Period or Offering Period, as the case may be.

**11.5 *Tax and Withholding.*** At the time a Participant's Purchase Right is exercised, in whole or in part, or at the time a Participant disposes of some or all of the shares of Stock he or she acquires under the Plan, the Participant shall make adequate provision for the foreign, federal, state and local tax and withholding obligations of the Participating Company Group, if any, which arise upon exercise of the Purchase Right or upon such disposition of shares, respectively. For the avoidance of doubt, any tax arising from the exercise of the Purchase Right or upon the disposition of shares, whether initially payable by the Participant or the Participating Company Group (each a "Stock Tax"), shall be paid by the Participant. Without limitation to the foregoing, any Indian Fringe Benefit Tax due as a result of a Participant exercising a Purchase Right shall be deemed a Stock Tax. The Participating Company Group may, but shall not be obligated to, withhold from the Participant's compensation the amount necessary to satisfy any Stock Tax and/or withholding obligations. If the Participant's compensation is not sufficient to meet the Stock Tax and/or withholding obligation, the Participating Group Company shall be under no obligation to deliver the Shares until the Participant has made adequate provisions for payment of the Stock Tax and/or withholding obligations.

**11.6 *Expiration of Purchase Right.*** Any portion of a Participant's Purchase Right remaining unexercised after the end of the Offering Period to which the Purchase Right relates shall expire immediately upon the end of the Offering Period.

**11.7 *Reports to Participants.*** Each Participant who has exercised all or part of his or her Purchase Right shall receive, as soon as practicable after the Purchase Date, a report of such Participant's Plan account setting forth the total payroll deductions accumulated prior to such exercise, the number of shares of Stock purchased, the Purchase Price for such shares, the date of purchase and the cash balance, if any, remaining immediately after such purchase that is to be refunded or retained in the Participant's Plan account pursuant to Section 11.4. The report required by this Section may be delivered in such form and by such means, including by electronic transmission, as the Company may determine.



## **12. Withdrawal from Offering or Plan.**

**12.1 *Voluntary Withdrawal from the Plan.*** A Participant may withdraw from the Plan by signing and delivering to the Company's designated office a written notice of withdrawal on a form provided by the Company for such purpose. Such withdrawal may be elected at any time prior to the end of an Offering Period; provided, however, if a Participant withdraws from the Plan after the Purchase Date of a Purchase Period, the withdrawal shall not affect shares of Stock acquired by the Participant on such Purchase Date. A Participant who voluntarily withdraws from the Plan is prohibited from resuming participation in the Plan in the same Offering from which he or she withdrew, but may participate in any subsequent Offering by again satisfying the requirements of Sections 5 and 7.1. The Company may impose, from time to time, a requirement that the notice of withdrawal from the Plan be on file with the Company's designated office for a reasonable period prior to the effectiveness of the Participant's withdrawal.

**12.2 *Automatic Withdrawal From an Offering.*** If the Fair Market Value of a share of Stock on a Purchase Date other than the final Purchase Date of an Offering is less than the Fair Market Value of a share of Stock on the Offering Date of the Offering, then every Participant automatically shall be (a) withdrawn from such Offering at the close of such Purchase Date and after the acquisition of shares of Stock for the Purchase Period and (b) enrolled in the Offering commencing on the first business day subsequent to such Purchase Date.

**12.3 *Return of Payroll Deductions.*** Upon a Participant's voluntary withdrawal from the Plan pursuant to Sections 12.1 or automatic withdrawal from an Offering pursuant to Section 12.2, the Participant's accumulated payroll deductions which have not been applied toward the purchase of shares of Stock (except, in the case of an automatic withdrawal pursuant to Section 12.2, for an amount necessary to purchase an additional whole share as provided in Section 11.4) shall be returned as soon as practicable after the withdrawal, without the payment of any interest, to the Participant, and the Participant's interest in the Plan or the Offering, as applicable, shall terminate. Such accumulated payroll deductions may not be applied to any other Offering under the Plan.

**13. Termination of Employment or Eligibility.** Upon a Participant's ceasing, prior to a Purchase Date, to be an Employee of the Participating Company Group for any reason, including retirement, disability or death, or the failure of a Participant to remain an Eligible Employee, the Participant's participation in the Plan shall terminate immediately. In such event, the payroll deductions credited to the Participant's Plan account since the last Purchase Date shall, as soon as practicable, be returned to the Participant or, in the case of the Participant's death, to the Participant's legal representative, and all of the Participant's rights under the Plan shall terminate. Interest shall not be paid on sums returned pursuant to this Section 13. A Participant whose participation has been so terminated may again become eligible to participate in the Plan by again satisfying the requirements of Sections 5 and 7.1.

## **14. Transfer of Control.**

### ***14.1 Definitions.***

(a) An “**Ownership Change Event**” shall be deemed to have occurred if any of the following occurs with respect to the Company: (i) the direct or indirect sale or exchange in a single or series of related transactions by the stockholders of the Company of more than fifty percent (50%) of the voting stock of the Company; (ii) a merger or consolidation in which the Company is a

party; (iii) the sale, exchange, or transfer of all or substantially all of the assets of the Company; or (iv) a liquidation or dissolution of the Company.

(b) A “**Transfer of Control**” shall mean an Ownership Change Event or a series of related Ownership Change Events (collectively, the “**Transaction**”) wherein the stockholders of the Company immediately before the Transaction do not retain immediately after the Transaction, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately before the Transaction, direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the outstanding voting stock of the Company or the corporation or corporations to which the assets of the Company were transferred (the “**Transferee Corporation(s)**”), as the case may be. For purposes of the preceding sentence, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting stock of one or more corporations which, as a result of the Transaction, own the Company or the Transferee Corporation(s), as the case may be, either directly or through one or more subsidiary corporations. The Board shall have the right to determine whether multiple sales or exchanges of the voting stock of the Company or multiple Ownership Change Events are related, and its determination shall be final, binding and conclusive.

**14.2 Effect of Transfer of Control on Purchase Rights.** In the event of a Transfer of Control, the surviving, continuing, successor, or purchasing corporation or parent corporation thereof, as the case may be (the “**Acquiring Corporation**”), shall assume the Company's rights and obligations under the Plan. If the Acquiring Corporation elects not to assume the Company's rights and obligations under outstanding Purchase Rights, the Purchase Date of the then current Purchase Period shall be accelerated to a date before the date of the Transfer of Control specified by the Board, but the number of shares of Stock subject to outstanding Purchase Rights shall not be adjusted. All Purchase Rights which are neither assumed by the Acquiring Corporation in connection with the Transfer of Control nor exercised as of the date of the Transfer of Control shall terminate and cease to be outstanding effective as of the date of the Transfer of Control.

**15. Nontransferability of Purchase Rights.** A Purchase Right may not be transferred in any manner otherwise than by will or the laws of descent and distribution and shall be exercisable during the lifetime of the Participant only by the Participant.

**16. Restriction on Issuance of Shares.** The issuance of shares under the Plan shall be subject to compliance with all applicable requirements of foreign, federal or state law with respect to such securities. A Purchase Right may not be exercised if the issuance of shares upon such exercise would constitute a violation of any applicable foreign, federal or state securities laws or other law or regulations or the requirements of any securities exchange or market system upon which the Stock may then be listed. In addition, no Purchase Right may be exercised unless (a) a registration statement under the Securities Act of 1933, as amended, shall at the time of exercise of the Purchase Right be in effect with respect to the shares issuable upon exercise of the Purchase Right, or (b) in the opinion of legal counsel to the Company, the shares issuable upon exercise of the Purchase Right may be issued in accordance with the terms of an applicable exemption from the registration requirements of said Act. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance and sale of any shares under the Plan shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to the exercise of a Purchase Right, the Company may require the

Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation, and to make any representation or warranty with respect thereto as may be requested by the Company.

17. **Rights as a Stockholder and Employee.** A Participant shall have no rights as a stockholder by virtue of the Participant's participation in the Plan until the date of the issuance of a certificate for the shares purchased pursuant to the exercise of the Participant's Purchase Right (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such certificate is issued, except as provided in Section 4.2. Nothing herein creates an employment relationship between the Participant and any member of the Participating Group Company where such relationship does not otherwise exist, nor shall anything herein confer upon a Participant any right to continue in the employ of the Participating Company Group or interfere in any way with any right of the Participating Company Group to terminate the Participant's employment at any time.

18. **Legends.** The Company may at any time place legends or other identifying symbols referencing any applicable foreign, federal or state securities law restrictions or any provision convenient in the administration of the Plan on some or all of the certificates representing shares of Stock issued under the Plan. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates representing shares acquired pursuant to a Purchase Right in the possession of the Participant in order to carry out the provisions of this Section. Unless otherwise specified by the Company, legends placed on such certificates may include but shall not be limited to the following:

“THE SHARES EVIDENCED BY THIS CERTIFICATE WERE ISSUED BY THE CORPORATION TO THE REGISTERED HOLDER UPON THE PURCHASE OF SHARES UNDER AN EMPLOYEE STOCK PURCHASE PLAN AS DEFINED IN SECTION 423 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. THE TRANSFER AGENT FOR THE SHARES EVIDENCED HEREBY SHALL NOTIFY THE CORPORATION IMMEDIATELY OF ANY TRANSFER OF THE SHARES BY THE REGISTERED HOLDER HEREOF. THE REGISTERED HOLDER SHALL HOLD ALL SHARES PURCHASED UNDER THE PLAN IN THE REGISTERED HOLDER'S NAME (AND NOT IN THE NAME OF ANY NOMINEE).”

19. **Notification of Sale of Shares.** The Company may require the Participant to give the Company prompt notice of any disposition of shares acquired by exercise of a Purchase Right within two years from the date of granting such Purchase Right or one year from the date of exercise of such Purchase Right. The Company may require that until such time as a Participant disposes of shares acquired upon exercise of a Purchase Right, the Participant shall hold all such shares in the Participant's name (or, if elected by the Participant, in the name of the Participant and his or her spouse but not in the name of any nominee) until the lapse of the time periods with respect to such Purchase Right referred to in the preceding sentence. The Company may direct that the certificates evidencing shares acquired by exercise of a Purchase Right refer to such requirement to give prompt notice of disposition.

20. **Notices.** All notices or other communications by a Participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form

specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

21. **Indemnification.** In addition to such other rights of indemnification as they may have as members of the Board or officers or employees of the Participating Company Group, members of the Board and any officers or employees of the Participating Company Group to whom authority to act for the Board or the Company is delegated shall be indemnified by the Company against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any right granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by the Company) or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct in duties; provided, however, that within sixty (60) days after the institution of such action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at its own expense to handle and defend the same.

22. **Amendment or Termination of the Plan.** The Board may at any time amend or terminate the Plan, except that (a) such termination shall not affect Purchase Rights previously granted under the Plan, except as permitted under the Plan, and (b) no amendment may adversely affect a Purchase Right previously granted under the Plan (except to the extent permitted by the Plan or as may be necessary to qualify the Plan as an employee stock purchase plan pursuant to Section 423 of the Code or to obtain qualification or registration of the shares of Stock under applicable foreign, federal or state securities laws). In addition, an amendment to the Plan must be approved by the stockholders of the Company within twelve (12) months of the adoption of such amendment if such amendment would authorize the sale of more shares than are authorized for issuance under the Plan or would change the definition of the corporations that may be designated by the Board as Participating Companies.

23. **Continuation of Plan Terms as to Outstanding Purchase Rights.** Any other provision of the Plan to the contrary notwithstanding, the terms of the Plan prior to amendment (other than the maximum aggregate number of shares of Stock issuable thereunder) shall remain in effect and apply to all Purchase Rights granted pursuant to the Plan prior to amendment.

**EXHIBIT II**

**CURRENT REPORT ON FORM 8-K FURNISHED BY ADOBE SYSTEMS INCORPORATED  
TO THE SEC ON MARCH 17, 2015**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 8-K  
CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): March 17, 2015 (March 17, 2015)

**Adobe Systems Incorporated**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation)

**0-15175**  
(Commission File Number)

**77-0019522**  
(I.R.S. Employer Identification No.)

**345 Park Avenue  
San Jose, California 95110-2704**  
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(408) 536-6000**

**Not Applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## Item 2.02. Results of Operations and Financial Condition.

On March 17, 2015, Adobe Systems Incorporated (“Adobe”) issued a press release announcing its financial results for its first fiscal quarter ended February 27, 2015. A copy of this press release is furnished and attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in this report and the exhibit attached hereto are being furnished and shall not be deemed filed for purposes of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly stated by specific reference in such filing.

The attached press release includes non-GAAP operating income, non-GAAP net income, non-GAAP tax rate, and non-GAAP diluted net income per share.

These non-GAAP measures are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. We believe that non-GAAP measures have limitations in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with GAAP and that these measures should only be used to evaluate our results of operations in conjunction with the corresponding GAAP measures.

For our internal budgeting and resource allocation process, we use non-GAAP financial measures, net of the related tax impacts, which exclude: (A) stock-based and deferred compensation expenses; (B) restructuring and other charges; (C) amortization of purchased intangibles; (D) investment gains and losses; (E) accrued loss contingencies; (F) income tax adjustments; and (G) the income tax effect of the non-GAAP pre-tax adjustments from the provision for income taxes.

We use these non-GAAP financial measures in making operating decisions because we believe the measures provide meaningful supplemental information regarding our operational performance and give us a better understanding of how we should invest in research and development and fund infrastructure and go-to-market strategies. We use these measures to help us make budgeting decisions, for example, as between product development expenses and research and development, sales and marketing and general and administrative expenses and to facilitate our internal comparisons to our historical operating results. In addition, we believe 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 and to compare operating results across accounting periods and to those of our peer companies.

As described above, we exclude the following items from one or more of our non-GAAP measures:

*A. Stock-based and deferred compensation expenses and related tax impact.* Stock-based compensation expense consists of charges for employee restricted stock units, performance shares, stock options and employee stock purchases in accordance with current GAAP related to stock-based compensation including expense associated with stock-based compensation related to unvested options and restricted stock units assumed in connection with our acquisitions. As we apply current stock-based compensation standards, we believe that it is useful to investors to understand the impact of the application of these standards to our operational performance, liquidity and our ability to invest in research and development and fund acquisitions and capital expenditures. Although stock-based compensation expense is calculated in accordance with current GAAP and constitutes an ongoing and recurring expense, such expense is excluded from non-GAAP results because it is not an expense that typically requires or will require cash settlement by us and because such expense is not used by us to assess the core profitability of our business operations. Deferred compensation expense consists of charges associated with movements in our liability related to our deferred compensation plan. Although deferred compensation expense constitutes an ongoing and recurring expense, such expense is excluded from non-GAAP results because it is not an expense that typically requires current cash settlement by us and because such expense is not used by us to assess the core profitability of our business operations. We further believe these measures are useful to investors in that they allow for greater transparency to certain line items in our financial statements. In addition, excluding these items from various non-GAAP measures facilitates comparisons to our competitors’ operating results.

*B. Restructuring and other charges and related tax impact.* During the past several years, we have initiated certain restructuring activities in order to align our costs in connection with both our operating plans and our business strategies based on then-current economic conditions. As a result, we recognized costs related to termination benefits for former Adobe employees whose positions were eliminated and the consolidation of leased facilities. Restructuring and other charges are excluded from non-GAAP results because such expense is not used by us to assess the core profitability of our business operations.



*C. Amortization of purchased intangibles and related tax impact.* We incur amortization of purchased intangibles in connection with our acquisitions. Purchased intangibles include (i) purchased technology, (ii) trademarks, (iii) customer contracts and relationships and (iv) other intangibles. We expect to amortize for accounting purposes the fair value of the purchased intangibles based on the pattern in which the economic benefits of the intangible assets will be consumed as revenue is generated. Although the intangible assets generate revenue for us, we exclude this item because this expense is non-cash in nature and because we believe the non-GAAP financial measures excluding this item provide meaningful supplemental information regarding our operational performance, liquidity and our ability to invest in research and development and fund acquisitions and capital expenditures. In addition, excluding this item from various non-GAAP measures facilitates our internal comparisons to our historical operating results and comparisons to our competitors' operating results.

*D. Investment gains and losses and related tax impact.* We incur investment gains and losses principally from realized gains or losses from the sale and exchange of marketable equity investments, other-than-temporary declines in the value of marketable and non-marketable equity securities, unrealized holding gains and losses associated with our deferred compensation plan assets (classified as trading securities) and gains and losses on the sale of equity securities held indirectly through investment partnerships. We do not actively trade publicly held securities nor do we rely on these securities positions for funding our ongoing operations. We exclude gains and losses and the related tax impact on these equity securities because these items are unrelated to our ongoing business and operating results.

*E. Accrued loss contingencies associated with one-time litigation events.* In connection with ongoing litigation or similar events, we accrue losses in the event such losses are determined to be both probable and estimable in accordance with Accounting Standards Codification (ASC) 450-20, Loss Contingencies. From time to time we exclude such losses and the related tax impact when they relate to one-time events that are unrelated to our ongoing business and operating results.

*F. Income tax adjustments.* Our Income tax expense is based on our GAAP taxable income and actual tax rates in effect, which can differ significantly from the long-term non-GAAP tax rate applied to our non-GAAP financial results. In arriving at our long-term non-GAAP tax rate, certain non-recurring and period specific income tax adjustments, such as a one-time tax charge in connection with an acquisition, reenactment of the Federal Research and Development tax credit and resolution of an income tax audit, are made to help us to assess the core profitability of our business operations. We evaluate this long-term non-GAAP tax rate only on an annual basis. This long-term non-GAAP tax rate could be subject to change for a number of reasons including significant changes in our geographic earnings mix or fundamental tax law changes in major jurisdictions in which we operate. Based on our long-term projections, a long-term non-GAAP tax rate of 21% has been applied to our non-GAAP financial results in both fiscal 2014 and fiscal 2015.

*G. Income tax effect of the non-GAAP pre-tax adjustments from the provision for income taxes.* Excluding the income tax effect of the non-GAAP pre-tax adjustments from the provision for income taxes assists investors in understanding the tax provision associated with those adjustments and the effective tax rate related to our ongoing operations.

We believe that non-GAAP measures have limitations in that they do not reflect all of the amounts associated with our financial results as determined in accordance with GAAP and that these measures should only be used to evaluate our financial results in conjunction with the corresponding GAAP measures and that is why we qualify the use of non-GAAP financial information in a statement when non-GAAP information is presented.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Press release issued on March 17, 2015 entitled “Adobe Reports Strong Q1 FY 2015 Financial Results”

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ADOBE SYSTEMS INCORPORATED

By: /s/ MARK GARRETT

Mark Garrett

Executive Vice President and Chief Financial  
Officer

Date: March 17, 2015

## EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release issued on March 17, 2015 entitled “Adobe Reports Strong Q1 FY2015 Financial Results”



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## Adobe Reports Strong Q1 FY2015 Financial Results

### Company Announces Newest Offering, Adobe Document Cloud

**SAN JOSE, Calif. - Mar. 17, 2015** - Adobe (Nasdaq:ADBE) today reported financial results for its first quarter fiscal year 2015 ended Feb. 27, 2015.

#### Financial Highlights

- Adobe achieved revenue of \$1.11 billion, above the high end of the targeted range of \$1.05 billion to \$1.10 billion.
- Adobe added 517 thousand net new Creative Cloud subscriptions in the quarter, which represents 28 percent year-over-year growth when compared to net new subscription additions in Q1 fiscal year 2014.
- Creative Annualized Recurring Revenue ("ARR") grew to \$1.79 billion, and total Digital Media ARR grew to \$2.09 billion.
- Adobe Marketing Cloud revenue was \$311 million.
- Diluted earnings per share were \$0.17 on a GAAP-basis, and \$0.44 on a non-GAAP basis.
- Cash flow from operations was \$183 million and deferred revenue grew to a record \$1.18 billion.
- A record 70 percent of Adobe's Q1 revenue was from recurring sources, compared to 52 percent of Q1 revenue in fiscal 2014.
- The company repurchased approximately 2.4 million shares during the quarter, returning \$174 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 Marketing Cloud and Creative Cloud continue to be growth engines for Adobe," said Shantanu Narayen, Adobe president and chief executive officer. "We are excited about today's announcement of the Adobe Document Cloud, which brings innovative new capabilities, including built-in e-signing, to millions of customers."

"Fiscal 2015 is off to a strong start, and Q1 revenue and earnings are evidence of successful execution against our strategy," said Mark Garrett, Adobe executive vice president and chief financial officer.

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**Adobe to Webcast Earnings Conference Call**

Adobe will webcast its first quarter fiscal year 2015 earnings conference call today at 2:00 p.m. Pacific Time from its investor relations website: [www.adobe.com/ADBE](http://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 business momentum, product innovation and capabilities and the strength of our cloud business and growth of our revenue and earnings, 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 distribute products and services that meet customer requirements, introduction of new products and business models by competitors, failure to successfully manage transitions to new business models and markets, fluctuations in subscription renewal rates, risks associated with cyber-attacks and information security, potential interruptions or delays in hosted services provided by us or third parties, uncertainty in economic conditions and the financial markets, 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 2014 ended Nov. 28, 2014.

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 Feb. 27, 2015, which Adobe expects to file in March 2015.

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](http://www.adobe.com).

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**Condensed Consolidated Statements of Income**

(In thousands, except per share data; unaudited)

	Three Months Ended	
	February 27, 2015	February 28, 2014
Revenue:		
Subscription	\$ 713,442	\$ 423,563
Products	290,774	471,454
Services and support	104,965	105,103
Total revenue	1,109,181	1,000,120
Cost of revenue:		
Subscription	95,527	76,732
Products	19,703	27,498
Services and support	51,568	44,279
Total cost of revenue	166,798	148,509
Gross profit	942,383	851,611
Operating expenses:		
Research and development	215,509	209,525
Sales and marketing	392,741	410,141
General and administrative	145,081	138,984
Restructuring and other charges	1,755	663
Amortization of purchased intangibles	14,272	13,552
Total operating expenses	769,358	772,865
Operating income	173,025	78,746
Non-operating income (expense):		
Interest and other income (expense), net	3,338	3,145
Interest expense	(14,545)	(16,590)
Investment gains (losses), net	1,430	(409)
Total non-operating income (expense), net	(9,777)	(13,854)
Income before income taxes	163,248	64,892
Provision for income taxes	78,360	17,846
Net income	\$ 84,888	\$ 47,046
Basic net income per share	\$ 0.17	\$ 0.09
Shares used to compute basic net income per share	498,754	496,948
Diluted net income per share	\$ 0.17	\$ 0.09
Shares used to compute diluted net income per share	507,526	508,340

**Condensed Consolidated Balance Sheets**

(In thousands, except par value; unaudited)

	February 27, 2015	November 28, 2014
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 712,884	\$ 1,117,400
Short-term investments	2,463,936	2,622,091
Trade receivables, net of allowances for doubtful accounts of \$7,201 and \$7,867, respectively	532,427	591,800
Deferred income taxes	60,470	95,279
Prepaid expenses and other current assets	202,442	175,758
Total current assets	3,972,159	4,602,328
Property and equipment, net	784,314	785,123
Goodwill	5,396,174	4,721,962
Purchased and other intangibles, net	629,317	469,662
Investment in lease receivable	80,439	80,439
Other assets	146,019	126,315
Total assets	\$ 11,008,422	\$ 10,785,829
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Trade payables	\$ 71,670	\$ 68,377
Accrued expenses	564,211	683,866
Debt and capital lease obligations	64	603,229
Accrued restructuring	2,580	17,120
Income taxes payable	19,934	23,920
Deferred revenue	1,129,701	1,097,923
Total current liabilities	1,788,160	2,494,435
Long-term liabilities:		
Debt	1,901,554	911,086
Deferred revenue	53,568	57,401
Accrued restructuring	4,495	5,194
Income taxes payable	245,063	125,746
Deferred income taxes	348,644	342,315
Other liabilities	77,918	73,747
Total liabilities	4,419,402	4,009,924
Stockholders' equity:		
Preferred stock, \$0.0001 par value; 2,000 shares authorized	—	—
Common stock, \$0.0001 par value	61	61
Additional paid-in-capital	3,897,838	3,778,495
Retained earnings	6,756,803	6,924,294
Accumulated other comprehensive income (loss)	(103,810)	(8,094)
Treasury stock, at cost (100,786 and 103,350 shares, respectively), net of reissuances	(3,961,872)	(3,918,851)
Total stockholders' equity	6,589,020	6,775,905
Total liabilities and stockholders' equity	\$ 11,008,422	\$ 10,785,829



# Condensed Consolidated Statements of Cash Flows

(In thousands; unaudited)

	Three Months Ended	
	February 27, 2015	February 28, 2014
Cash flows from operating activities:		
Net income	\$ 84,888	\$ 47,046
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	79,635	77,636
Stock-based compensation expense	84,193	82,750
Unrealized investment (gains) losses, net	(9,687)	975
Changes in deferred revenue	19,044	52,275
Changes in other operating assets and liabilities	(75,058)	(9,009)
Net cash provided by operating activities	183,015	251,673
Cash flows from investing activities:		
Purchases, sales and maturities of short-term investments, net	152,402	(61,746)
Purchases of property and equipment	(35,546)	(29,393)
Purchases and sales of long-term investments, intangibles and other assets, net	(14,885)	(3,283)
Acquisitions, net of cash	(800,342)	—
Net cash used for investing activities	(698,371)	(94,422)
Cash flows from financing activities:		
Purchases of treasury stock	(200,000)	(200,000)
Cost of reissuance of treasury stock, net	(93,697)	(53,776)
Proceeds from debt	989,280	—
Repayment of debt and capital lease obligations	(602,189)	(4,433)
Debt issuance costs	(7,718)	—
Excess tax benefits from stock-based compensation	33,599	—
Net cash provided by (used for) financing activities	119,275	(258,209)
Effect of exchange rate changes on cash and cash equivalents	(8,435)	318
Net decrease in cash and cash equivalents	(404,516)	(100,640)
Cash and cash equivalents at beginning of period	1,117,400	834,556
Cash and cash equivalents at end of period	\$ 712,884	\$ 733,916

## Non-GAAP Results

(In thousands, except per share data)

The following tables show Adobe's GAAP results reconciled to non-GAAP results included in this release.

	Three Months Ended		
	February 27, 2015	February 28, 2014	November 28, 2014
Operating income:			
GAAP operating income	\$ 173,025	\$ 78,746	\$ 124,505
Stock-based and deferred compensation expense	86,597	83,549	85,025
Restructuring and other charges	1,755	663	19,385
Amortization of purchased intangibles	33,791	32,054	31,331
Loss contingency	—	10,000	—
Non-GAAP operating income	\$ 295,168	\$ 205,012	\$ 260,246
Net income:			
GAAP net income	\$ 84,888	\$ 47,046	\$ 88,136
Stock-based and deferred compensation expense	86,597	83,549	85,025
Restructuring and other charges	1,755	663	19,385
Amortization of purchased intangibles	33,791	32,054	31,331
Investment (gains) losses	(1,430)	409	(343)
Loss contingency	—	10,000	—
Income tax adjustments	18,728	(22,383)	(27,872)
Non-GAAP net income	\$ 224,329	\$ 151,338	\$ 195,662
Diluted net income per share:			
GAAP diluted net income per share	\$ 0.17	\$ 0.09	\$ 0.17
Stock-based and deferred compensation expense	0.17	0.16	0.17
Restructuring and other charges	—	—	0.04
Amortization of purchased intangibles	0.07	0.06	0.06
Loss contingency	—	0.02	—
Income tax adjustments	0.03	(0.03)	(0.05)
Non-GAAP diluted net income per share	\$ 0.44	\$ 0.30	\$ 0.39
Shares used in computing diluted net income per share	507,526	508,340	507,451

## Non-GAAP Results (continued)

	Three Months Ended February 27, 2015
Effective income tax rate:	
GAAP effective income tax rate	48.0%
One-time charge related to acquisition	(42.0)
Retroactive reinstatement of 2014 R&D tax credit	16.0
Income tax adjustments	(1.0)
Non-GAAP effective income tax rate	21.0%

## 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, loss contingencies 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.

## CROSS-REFERENCE LISTS

## ANNEX I

MINIMUM DISCLOSURE REQUIREMENTS FOR THE SHARE REGISTRATION DOCUMENT  
(SCHEDULE)

(Page numbering refers to the page contained in the relevant document)

Item #	Item contents	Chapter/Exhibit	Page
<b>1.</b>	<b>Persons Responsible</b>		
1.1.	All persons responsible for the information given in the prospectus	Prospectus	4 (Company Representative for Prospectus)
1.2.	A declaration by those responsible for the prospectus	Prospectus	4 (Company Representative for Prospectus)
<b>2.</b>	<b>Statutory Auditors</b>		
2.1.	Names and addresses of the issuer's auditors	Part II - Section B	59 (10.2 Independent Registered Public Accounting Firm)
2.2.	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material.	Not applicable	Not applicable
<b>3.</b>	<b>Selected Financial Information</b>		
3.1.	Selected historical financial information	Part II - Section B	58 - 59 (10.1 Selected Financial Data)
3.2.	Interim periods	Part II - Section B	58 - 59 (10.1 Selected Financial Data)
<b>4.</b>	<b>Risk Factors</b>	Part II - Section A	14 - 31 (Risk Factors)
<b>5.</b>	<b>Information about the Issuer</b>		
<b>5.1.</b>	<b>History and Development of the Issuer</b>		

## CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
5.1.1.	the legal and commercial name of the issuer;	Part I - Section B	5 (B.1 Legal and Commercial Name of the Issuer)
<b>12.</b>	<b>Trend Information</b>		
12.1.	Significant trends that affected production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the prospectus.	Exhibit II	All pages
12.2.	Trends, uncertainties or events that are likely to affect the issuer for at least the current financial year.	Part II - Section A	14 - 31 (Risk Factors)
		Exhibit II	All pages
<b>13.</b>	<b>Profit Forecasts or Estimates</b>	Not applicable	Not applicable
<b>14.</b>	<b>Administrative, Management, Supervisory Bodies and Senior Management</b>		
14.1.	Names, business addresses and functions in the issuer of the following persons and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:  a) members of the administrative, management or supervisory bodies;	Part II - Section B	44 - 47 (7.1 Board of Directors as of April 9, 2015) and  54 - 56 (8.1 Directors' and Executive Officers' Holdings of Shares and Options)
	b) partners with unlimited liability, in the case of a limited partnership with a share capital;	Not applicable	Not applicable
	c) founders, if the issuer has been established for fewer than five years and	Not applicable	Not applicable

## CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
	d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.	Part II - Section B	47 - 49 (7.2 Executive Officers as of March 31, 2015) and  54 - 56 (8.1 Directors' and Executive Officers' Holdings of Shares and Options)
	The nature of any family relationship between any of those persons.	Part II - Section B	49 (7.3 Fraudulent Offences and Bankruptcy, Etc.)
	In the case of each member of the administrative, management or supervisory bodies of the issuer and each person mentioned in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information:  (a) the nature of all companies and partnerships of which such person has been a member of the administrative, management and supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies.	Part II - Section B	44 - 47 (7.1 Board of Directors as of April 9, 2015) and  47 - 49 (7.2 Executive Officers as of March 31, 2015)

## CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
	<p>(b) any convictions in relation to fraudulent offences for at least the previous five years;</p> <p>(c) details of any bankruptcies, receiverships or liquidations with which a person described in (a) and (d) of the first subparagraph who was acting in the capacity of any of the positions set out in (a) and (d) of the first subparagraph was associated for at least the previous five years;</p> <p>(d) details of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.</p> <p>If there is no such information to be disclosed, a statement to that effect is to be made.</p>	Part II - Section B	49 (7.3 Fraudulent Offences and Bankruptcy, Etc.)
14.2.	Administrative, management, and supervisory bodies and senior management conflicts of interests.	Part II - Section B	49 - 54 (7.4 Conflicts of Interest)
<b>17.</b>	<b>Employees</b>		
17.2.	Shareholdings and stock options with respect to each person referred to in points (a) and (d) of the first subparagraph of item 14.1.	Part II - Section B	54 - 56 (8.1 Directors' and Executive Officers' Holdings of Shares and Options)
17.3	Description of any arrangements for involving the employees in the capital of the issuer.	Exhibit I	All sections
		Part II - Section B	56 - 58 (8.2 Stock Plans)
<b>20.7.</b>	<b>Dividend policy, etc.</b>		
20.7.1	The amount of the dividend per share for each financial year for the period covered by the historical financial information	Part II - Section B	37 (Dividend Rights)
20.8.	Legal and arbitration proceedings	Part II - Section B	42 - 43 (Legal Proceedings)
20.9.	Significant change in the issuer's financial or trading position since the end of the last financial period	Not applicable	Not applicable

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
<b>23.</b>	<b>Third Party Information and Statement by Experts and Declarations of Any Interest</b>		
23.1.	Where a statement or report attributed to a person as an expert is included in the Registration Document, provide such person's name, business address, qualifications and material interest if any in the issuer.	Not applicable	Not applicable
23.2.	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced.	Not applicable	Not applicable
<b>24.</b>	<b>Documents on Display</b>	Part II - Section B	59 - 60 (XI. Documents on Display)



## ANNEX III

## MINIMUM DISCLOSURE REQUIREMENTS FOR THE SHARE SECURITIES NOTE (SCHEDULE)

(Page numbering refers to the page contained in the relevant document)

Item #	Item contents	Chapter/Exhibit	Page
<b>1.</b>	<b>Persons Responsible</b>		
1.1.	All persons responsible for the information given in the prospectus.	Prospectus	4 (Company Representative for Prospectus)
1.2.	A declaration by those responsible for the prospectus	Prospectus	4 (Company Representative for Prospectus)
<b>2.</b>	<b>Risk Factors</b>	Part II - Section A	14 - 31 (Risk Factors)
<b>3.</b>	<b>Key Information</b>		
3.1	Working capital statement	Part II - Section B	58 (IX. Working Capital Statement)
3.2	Capitalization and indebtedness	Part II - Section B	40 - 43 (V. Statement of Capitalization and Indebtedness as of February 27, 2015)
3.4	Reasons for the offer and use of proceeds	Part II - Section B	32 (1.1 Purpose of the ESPP)
		Exhibit I	Section 1.1
<b>4.</b>	<b>Information Concerning the Securities to be Offered/ Admitted to Trading</b>		
4.1	Type and the class of the securities being offered, including the security identification code.	Part II - Section B	36 (4.1 Type and the Class of the Securities being Offered, Including the Security Identification Code)

## CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
		Exhibit I	Section 2(t) and 4
4.2	Legislation under which the securities have been created.	Part II - Section B	36 (4.2 Legislation Under Which the Securities Have Been Created)
4.3	Form of securities, name and address of the entity in charge of keeping the records.	Part II - Section B	36 - 37 (4.3 Form of Securities, Name and address of the Entity in Charge of Keeping the Records)
4.4	Currency of the securities issue.	Part II - Section B	37 (4.4 Currency of the Securities Issue)
4.5	Rights attached to the securities	Part II - Section B	37 - 39 (4.5 Rights Attached to the Securities)
4.6	Statement of the resolutions, authorizations and approvals by virtue of which the securities have been or will be created and/or issued.	Part II - Section B	32 (1.1 Purpose of the ESPP)
		Exhibit I	Subheader
4.7	Expected issue date of the securities.	Part II - Section B	32 - 33 (1.3 Purchase Period)
4.8	Description of any restrictions on the free transferability of the securities.	Part II - Section B	36 (III. Delivery and Sale of the Shares) and 39 (4.6 Transferability)
		Exhibit I	Sections 11 and 15
4.9	Mandatory takeover bids and/or squeeze-out and sell-out rules in relation to the securities.	Part II - Section B	39 - 40 (4.7 General Provisions Applying to Business Combinations)
4.11	Information on taxes on the income from the securities	Part II - Section B	60 - 64 (XII. Tax

## CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
	withheld at source		Consequences)
<b>5.</b>	<b>TERMS AND CONDITIONS OF THE OFFER</b>		
5.1	Conditions, offer statistics, expected timetable and action required to apply for the offer		
5.1.1	Conditions to which the offer is subject.	Part II - Section B	32 - 36 (I. The Outline, II. Eligibility and III. Delivery and Sale of the Shares)
		Exhibit I	All sections
5.1.2	Total amount of the issue/offer.	Part II - Section B	44 (6.2 Net Proceeds)
		Exhibit I	Section 4
5.1.3	Time period during which the offer will be open and description of the application process.	Part II - Section B	32 - 36 (I. The Outline, II. Eligibility and III. Delivery and Sale of the Shares)
		Exhibit I	Sections 5, 6, 7, 8 and 11
5.1.4	Circumstances under which the offer may be revoked or suspended and whether revocation can occur after dealing has begun.	Part II - Section B	33 - 34 (1.7 Termination or Amendment of the ESPP) and 35 - 36 (2.5 Termination of Employment of Participating Employees)
		Exhibit I	Sections 12, 13, 14 and 22
5.1.5	Possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants.	Part II - Section B	35 (2.4 Discontinuance of Participation of Participating Employees)

## CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
5.1.6	Minimum and/or maximum amount of application.	Part II - Section B	32 (1.2 Shares Offered Under the ESPP) and 34 (2.2 Participation of Eligible Employees)
		Exhibit I	Section 5
5.1.7	Period during which an application may be withdrawn.	Part II - Section B	35 (2.4 Discontinuance of Participation of Participating Employees)
5.1.8	Method and time limits for paying up the securities and for delivery of the securities.	Part II - Section B	35 (2.3 Payroll Deductions) and 36 (III. Delivery and Sale of the Shares)
		Exhibit I	Sections 9, 10 and 11
5.3	Pricing		
5.3.1.	An indication of the price at which the securities will be offered.	Part II - Section B	33 (1.4 Purchase Price)
		Exhibit I	Section 9
5.3.2.	Process for the disclosure of the offer price.	Part II - Section B	33 (1.4 Purchase Price) and 36 - 37 (4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records)
		Exhibit I	Section 9
5.3.3.	If the issuer's equity holders have pre-emptive purchase rights and this right is restricted or withdrawn.	Part II - Section B	39 (No Preemptive, Redemptive or Conversion)

## CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
			Provisions)
5.3.4	Where there is or could be a material disparity between the public offer price and the effective cash cost to members of the administrative, management or supervisory bodies or senior management, or affiliated persons, of securities acquired by them in transactions during the past year.	Not applicable	Not applicable
<b>5.4.</b>	<b>Placing and Underwriting</b>		
5.4.2	Name and address of any paying agents and depository agents in each country.	Part II - Section B	36 - 37 (4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records)
<b>6.</b>	<b>Admission to Trading and Dealing Arrangements</b>		
6.1	Whether the securities offered are or will be the object of an application for admission to trading.	Part II - Section B	36 (4.1 Type and Class of the Securities being Offered, Including the Security Identification Code)
6.2	Regulated markets or equivalent markets on which securities of the same class of the securities to be offered or admitted to trading are already admitted to trading.	Part II - Section B	36 (4.1 Type and Class of the Securities being Offered, Including the Security Identification Code)
<b>8.</b>	<b>Expense of the Issue/Offer</b>		
8.1.	The total net proceeds and an estimate of the total expenses of the issue/offer.	Part II - Section B	44 (6.2 Net Proceeds)
<b>9.</b>	<b>Dilution</b>		
9.1.	The amount and percentage of immediate dilution resulting from the offer.	Part II - Section B	43 - 44 (6.1 Maximum Dilution)
9.2.	In the case of a subscription offer to existing equity holders, the amount and percentage of immediate	Not applicable	Not applicable

CROSS-REFERENCE LISTS

<b>Item #</b>	<b>Item contents</b>	<b>Chapter/Exhibit</b>	<b>Page</b>
	dilution if they do not subscribe to the new offer.		
<b>10.</b>	<b>Additional Information</b>		
10.1.	If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted.	Not applicable	Not applicable
10.3.	Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such persons' name, business address, qualifications and material interest if any in the issuer.	Not applicable	Not applicable
10.4.	Where information has been sourced from a third party.	Not applicable	Not applicable