

ADOBE SYSTEMS INC
Form 4
January 28, 2008

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
NARAYEN SHANTANU

2. Issuer Name and Ticker or Trading Symbol
ADOBE SYSTEMS INC [ADBE]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
ADOBE SYSTEMS
INCORPORATED, 345 PARK
AVENUE

3. Date of Earliest Transaction
(Month/Day/Year)
01/24/2008

Director 10% Owner
 Officer (give title below) Other (specify below)
President and CEO

(Street)
SAN JOSE, CA 95110

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount or (D) Price			
Common Stock	01/24/2008		A	29,327 (1) \$ 0	145,299	I	by trust (2)
Common Stock	01/24/2008		F	13,417 (3) \$ 34.64	131,882	I	by trust (2)
Common Stock	01/24/2008		A	12,500 (4) \$ 0	144,382	I	by trust (2)
Common Stock	01/24/2008		F	5,801 (3) \$ 34.64	138,581	I	by trust (2)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
Non-Qualified Stock Option (right to buy)	\$ 34.64	01/24/2008		A	268,000	<u>(5)</u> 01/24/2015	Common Stock 26
Incentive Stock Option (right to buy)	\$ 34.64	01/24/2008		A	2,886	<u>(6)</u> 01/24/2015	Common Stock 2
Non-Qualified Stock Option (right to buy)	\$ 34.64	01/24/2008		A	600,114	<u>(6)</u> 01/24/2015	Common Stock 60
Restricted Stock Units	\$ 0	01/24/2008		A	64,000	<u>(7)</u> <u>(7)</u>	Common Stock 64
Performance Shares	\$ 0	01/24/2008		A	V 172,000 <u>(8)</u>	<u>(9)</u> <u>(9)</u>	Common Stock 172

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
NARAYEN SHANTANU ADOBE SYSTEMS INCORPORATED 345 PARK AVENUE SAN JOSE, CA 95110	X		President and CEO	

Signatures

/s/ Stuart Fagin, as attorney-in-fact
01/28/2008

**Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Represents the number of shares acquired upon vesting of the Performance Share Units earned by the participant in connection with the

(1) Performance Share award filed February 2, 2006. The participant earned approximately 105% of the award based on the achievement of certain pre-established performance goals during the 2006 and 2007 fiscal years.

(2) Shares held by The Narayen Family Trust, dtd 11/30/00 of which reporting person is a trustee.

(3) Shares surrendered to pay tax liability due at vesting of Performance Share Units.

Represents the number of shares acquired upon vesting of 25% of the Performance Share Units earned by the participant in connection with the Performance Share award filed January 26, 2007. The participant earned 200% of the award based on the achievement of certain pre-established performance goals during the 2007 fiscal year. The remaining Performance Share Units will vest 25% annually on the second, third, and fourth anniversary of the grant date.

(4)

(5) Vests at a rate of 2.08% per month for 48 months.

(6) Vests at a rate of 1/3 on the third year anniversary of the grant date and 2/3 on the fourth year anniversary of the grant date.

(7) Vesting of the Restricted Stock Units will be 50% on the fourth year anniversary of the grant date and 50% on the fifth year anniversary of the grant date.

Represents the maximum number of Performance Shares that will be earned, if at all, based on the achievement of certain pre-established performance goals during the 2008 fiscal year. Each Performance Share Unit represents a contingent right to receive one share of ADBE common stock. The maximum number represents 200% of the target payout of 86,000 shares.

(8)

Vesting of the Performance Share Units will be 25% after the first anniversary of the grant date upon certification of performance goal achievement with the remaining Units vesting 25% annually on the second, third, and fourth anniversary of the grant date if the initial performance goals are achieved.

(9)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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