Adobe CEO gets 2010 compensation valued at $12.2M

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Shantanu Narayen, the CEO of software maker Adobe Systems Inc., received fiscal 2010 compensation valued at $12.2 million, up sharply from $5 million a year earlier, as the company behind Photoshop and Flash technology improved is sales and earnings following a lackluster 2009.

Narayen received a base salary of $909,583 for the fiscal year that ended Dec. 3, 2010. This is up 4 percent from his 2009 salary of $875,000, according to a proxy statement Adobe filed with the Securities and Exchange Commission on Monday. His perks slipped 1 percent to $7,686. The bulk of this was a company 401(k) match and the rest, $336, life insurance premiums.

Part of the compensation increase came from Narayen's performance-based cash bonus, which totaled $2.2 million in 2010. He received no such award in 2009. Adobe's results improved in 2010, after weak demand amid the struggling economy dinged its results in the prior fiscal year. The company's flagship product is its Creative Suite software package, which includes programs such as Photoshop and others aimed at professional designers and Web developers.

Narayen, who has served as Adobe's CEO since December 2007 and is also the company's president, received stock awards valued at $6.5 million on the date they were granted. This is up more than threefold from $1.9 million a year earlier. He also was awarded stock options valued at $2.7 million on the dates they were granted — up 18 percent from $2.3 million a year earlier.

Adobe reported 2010 earnings of $775 million in December, up from $387 million a year earlier. Its revenue grew 29 percent to $3.8 billion from $2.9 billion.

The Associated Press formula is designed to isolate the value the company's board placed on the executive's total compensation package during the last fiscal year. It includes salary, bonus, performance-related bonuses, perks, above-market returns on deferred compensation and the estimated value of stock options and awards granted during the year.

The calculations don't include changes in the present value of pension benefits, and they sometimes differ from the totals companies list in the summary compensation table of proxy statements filed with the Securities and Exchange Commission, which reflect the size of the accounting charge taken for the executive's compensation in the previous fiscal year.

Shares of San Jose, Calif.-based Adobe fell 17.6 percent during fiscal 2010, to close at $29.14 on Dec. 3. The stock has advanced since.

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