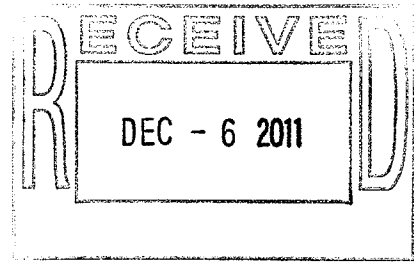




Adobe Systems Incorporated
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December 1, 2011

Office of the Secretary
PCAOB
1666 K Street, N.W.
Washington, D.C. 20006-2803

Re: PCAOB Rulemaking Docket Matter No. 37

Dear Chairman Doty,

I am writing this letter on behalf of the Audit Committee of Adobe Systems Incorporated, a NASDAQ-listed company (ADBE). We appreciate the opportunity to provide feedback on The Public Company Accounting Oversight Board (“PCAOB”) Rulemaking Docket Matter No. 37 – Concept Release regarding Auditor Independence and Audit Firm Rotation. We are supportive of the Board’s efforts to ensure auditor independence and maintenance by auditors of appropriate levels of objectivity and professional skepticism. However, we oppose the current proposal requiring mandatory audit firm rotation, primarily based on the following reasons:

- **We believe the increase in audit costs will be significant** – The audit firm rotation would eliminate the benefit of the audit team’s experience and knowledge of our processes and procedures. There would be an increased learning curve for a new audit firm upon rotation resulting in a reduction of audit efficiency and effectiveness, the result of which is higher audit fees passed onto the client. The successor audit firm would spend considerable time and effort reviewing the work of the predecessor auditors in order to understand the entity and plan audit procedures based on their own specific audit methodology, translating into higher audit costs.

Perhaps more significant will be the internal support costs incurred by company personnel in helping a new audit firm understand each company’s operations, applicable IT systems, and financial reporting practices and controls. We also expect increases in auditor selection costs for the time spent by management and other personnel in preparing a request for proposal as well as time spent by management and audit committees in evaluating the alternatives.

- **We believe that limited viable audit firm rotation alternatives exist** - Given there are only four large international firms, it would be difficult to implement a viable mandatory rotation plan without causing a serious disruption to the other services currently being provided by the other viable firms (e.g. existing tax and consulting engagements). Considering the current prohibition on non-audit services, selecting a new auditor would be extremely difficult and impossible in certain instances. As a member of a specialized industry (Technology/Software), we believe that an audit firm must possess a degree of specialized industry experience (e.g., years of experience, specialists in auditing industry specific issues), which would be hard for other firms to replicate in the short term. In addition, there are very few firms available with the regional area strength and size required to perform audits for multi-national companies such as Adobe.

- **We believe audit quality will suffer** – We feel that professional skepticism is best employed by knowledgeable parties. This knowledge often comes over a period of time, particularly when dealing with large public companies in complex industries. Especially in the early years of an audit rotation, the successor auditor will possess a limited understanding of the company and the industry in which it operates. This will give rise to increased levels of audit risk and potential risk of misstatement.

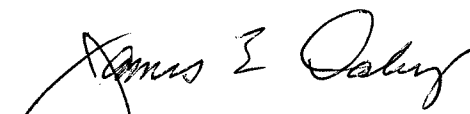
We believe the existing audit partner rotation rules, as well as personnel turnover at both the audit firm and the company, keeps relationships between the audit firm and the company fresh, and promotes objectivity without the downsides of mandatory firm rotation. In addition, the PCAOB inspection program, in combination with internal reviews and peer reviews between audit firms, help to ensure audit professionals are independent, objective and employ appropriate professional skepticism.

We also believe independent audit committees and the Board of Directors, as part of their role as representatives of shareholders' interests and with statutorily mandated responsibility for audit oversight (including the selection and compensation of auditors), are best positioned to appoint and retain the audit firms they believe best meet shareholders' needs.

Due to the concerns mentioned above, we respectfully request the PCAOB not pursue mandatory audit firm rotation.

Thank you for your consideration.

Sincerely,



James E. Daley
Chairman of the Audit Committee
Adobe Systems Incorporated