

MACROMEDIA INC
Form 425
June 15, 2005

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Subject Company: Macromedia, Inc.

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*** **

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*Integration 101 and
Macromedia Business
Overview*
June 3, 2005

Agenda

Welcome Jim Briody

Kickoff - John Brennan

Legal commentary - Ray Campbell

Integration lessons learned Jim Briody

Structure & process Jim Briody

Macromedia overview Al Ramadan

Strategic vision Shantanu Narayen

Q & A

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Q & A

First Principles for Integration Planning

Decisions & Behavior Guidelines

Maintaining sales & revenue momentum is the single most critical priority

Operational efficiency and opex is the second most important objective, but should not interfere with sales & revenue momentum

Where possible, build a stronger company via infusion of new talent and adoption of more effective processes

Honor customer and partner relationships & commitments wherever possible

All employees will be treated with respect & dignity throughout the process

Decision Making

Functional sponsors are responsible for:

Approving decisions for their functional areas

Resolving cross-functional issues with other functional sponsors

Escalating issues to Bruce & Shantanu, if necessary

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Regulatory guidelines

Presentation for all employees regarding gun-jumping (Breeze presentation)

<http://macromedia.breezecentral.com/p11917687>

Q & A

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Similarities & differences with other deals

HP/CPQ merger was more focused on consolidation and cost structure

Adobe/Macromedia is more about growth

Same basic approach to Integration program management structure (this worked very well for HP, JP Morgan/Chase, etc)

ISC IPO Functional Teams Focused SubTeams

Actual integration has two major phases: Operational (takes months), Strategic (takes years)

Aldus, Accelio

It is important to monitor market dynamics during integration and to change strategy as needed

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Q & A

Integration Team Structure

Integration Steering Committee

Shantanu Narayen, Bruce Chizen, Stephen Elop,

Karen Cottle, Murray Demo, Theresa Townsley

Integration Program Office

*Adobe
John Brennan
Jim Briody*

+

Macromedia
Betsey Nelson

+

Program Advisor
Value Capture
Legal Advisor
Communications
HR / Culture
Program Mgmt

Functional

Sponsors

Functional Team Lead Functional Team Lead Functional Team Lead Functional Team Lead Functional Team Lead

**Integration
Functional
Teams**

Counterpart Counterpart Counterpart Counterpart Counterpart

Teams & Sub-teams Teams & Sub-teams Teams & Sub-teams Teams & Sub-teams Teams & Sub-teams

Integration Program Office Details

Integration Program Office

Adobe
John Brennan
Jim Briody

+

Macromedia
Betsey Nelson

+

Value Capture:
Iftikhar Ahmed

Program Advisors:
Webb McKinney

Communications:
Desiree La Maggiore
& Ray Martinelli

Legal Advisors:
Ray Campbell &
Clint Smith

HR / Culture:
Donna Morris & Ray
Martinelli

Program Mgmt:
Hans Grande &
Scott Larrimer

Sr. Exec Assistant:
Lori Gibson

Integration Functional Teams

Mobility Naresh Gupta Al Ramadan	Platform Kevin Lynch Ed Rowe Bob Wulff						
Suites/SKUs Dave Burkett Beth Davis Jim Guerard PLC Digby Horner TBD	Collaborative Desktop Tom Hale Tom Malloy Rich Internet Aps Kurt Garbe David Mendels BU / Eng Systems (Compilation tools, PLC Systems, etc.)	Marketing Alex Amado Peter Goldie Drew McManus Marketing / Comm Systems (Adobe.com, intranet)	Sales/field ops Jeff Russakow Mark Viens Scott Larrimer	Operations Lisa Bugajski Brian Dudley Dan Brown Brian Dudley Mfg Front	Finance Iftikhar Ahmed David McDonough	HR Ray Martinelli Donna Morris	Legal Elizabeth Hewitt Donyelle Thomas
				Sales & Ops Systems (Demand mgmt, supply chain)	Finance Systems (BCP, Sox, ACM, ACM Plus, etc.)	HR Systems (HRM, etc.)	
		IS Janice Sue, Belinda Rodman Real Estate, Facilities and Security Randy Knox III, Jim Morgensen HR Support / Legal Support for all teams					

Note teams arranged by key planning functions, not representative of BU structure

Marketing Integration Team

Functional Sponsor: Melissa Dyrdaahl

Leads: Drew McManus / Penny Wilson

Peter Goldie, Alex Amado

Subteams

1 Adobe.com / Macromedia.com	2 Branding, Advertising & Direct Marketing	3 Public Relations, Analyst Relations	4 Internal Communications & Community Relations	5 Customer Database and Lead Mgmt	6 Developer Relations
7 Instructional Communications	8 Collateral, Content, and Localization Process	9 Events	10 Research & Analytics	11 Anti-Piracy	12 Field Marketing
		13 Solutions & Vertical Markets (Edu & Gov)	14 Product Marketing / Integrated Marketing		

Finance Structure

Lead Team

**Iftikhar Ahmed
David McDonough**

Sub Team Lead

1	2	3	4	5	6
Quote to Cash	Procurement to Payment	BU Finance	FP&A and Finance	Treasury	IA and SOX
	Accounting and Reporting	Controller	Systems		
Bob Salera David Bernstein	Chris Csubak Mike Strambi	Judy Shao Ned Sizer	Joe Nemeth Ned Sizer	Barbara Hill Michael Strambi	Eric Allegakoen David McDonough

Operations Structure

Operations Team

**Lisa Bugajski
Dan Brown
Brian Dudley**

Sub teams

	1	2	3	4
	Pricing	Product Release / Doc Control	Print Services	Corporate Purchasing / Vendor Management
	5	6		
	Supply Chain / Manufacturing and Logistics	Serialization		
		9		
		IT Support		
		16		

Staying informed on integration progress

Integration Update e-newsletter

Integration-specific page on Inside Adobe coming soon

Future KTB Sessions being scheduled

In-depth introduction to current Macromedia products/solutions

Integration questions?

acquisition_macr@adobe.com

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[LOGO]

Macromedia Overview

Al Ramadan

EVP & GM , Mobile & Devices

A Look at Macromedia

[LOGO]

History

Macromedia Today

Business Strategy

Values and Culture

Macromedia History

Once Upon a Time . . .

Macromedia Today

[GRAPHIC]

Key Statistics

Revenues	>\$400M
Employees	1,500
Worldwide Offices (HQ in San Francisco)	14

Macromedia History

Revenues (\$M) by FY

[CHART]

Our Mission

[GRAPHIC]

[GRAPHIC]

[GRAPHIC]

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Provide the solutions that make great digital experiences possible.

Market Trends

[GRAPHIC]

Rapid expansion in devices capable of great digital experiences

Increasing amount of bandwidth: Broadband 3G

Convergence in communication vs. divergence in the range and nature of devices

Accelerated pace of richer forms of communication

The importance of brand

Macromedia Strategy

	Solutions	
New Revenue Models		Vertical Markets
Sales		Services
Infrastructure	Process	Systems

The Flash Platform is Everywhere

570 Million Desktops

Over 100 OEM Licensees

Flash Adoption on PCs (1)

[CHART]

FLASH

80% in ~12 months

OTHERS

Internet Explorer 6: 77% in 51 months(2)

Windows XP: 65% after 45 months(3)

Java v1.4.x: 33% after 49 months(4)

(1) NPD North America (June 2004)

(2) Omniture 9/04, PCWorld (IE6 8/01)

(3) Gartner, MSFT (WinXP 2/01)

(4) GC Stats, Sun (J2SE 1.4 5/29/01)

Flash Platform Revenue Drivers



60% of FY05 revenue was directly related to the Flash Platform

The Flash Platform is the foundation for the Macromedia growth agendas

Macromedia Business Strategy: Target Markets

Designers/Developers

Tools, server and client software for building websites and rich internet applications	FLASH
Approximately 80% of total revenue	DREAMWEAVER
Targets millions of corporate in-house and independent designer/developer professionals	STUDIO FLEX

Business Users

Products that enable non-technical users to create and deliver information over the web	BREEZE
Approximately 10% of total revenue	CONTRIBUTE
Targets tens of millions of knowledge workers, business decision makers and trainers	CAPTIVATE

Consumers

Rich media for cell phones, PDAs and other devices	FLASHLITE
Approximately 10% of total revenue	
Targets hundreds of millions of consumers thru licensing to telcos and consumer electronics companies	[GRAPHIC]

Industry Drivers

Designers/Developers

Commoditization of bandwidth

Growth in number of rich Internet experiences

Proliferation of rich media advertising

Continued growth in web sites and intranet apps

Business Users

Compelling benefits of web based knowledge distribution/collaboration

Web Conferencing Growth (\$ in millions)

[CHART]

Source: IDC 7/03

Consumers

Massive proliferation of consumer devices

Smart phones taking off

Smartphones

4 Yr Est. CAGR = 85%

[CHART]

#Handhelds shipped worldwide (MM)

Source: In-Stat/MDR 11/03

Smartphones (MM)

Source: Market Intelligence Center (MIC) 2/04

Carriers looking for new revenue sources

Business Segment Revenue

[CHART]

Business Users

Designers & Developers

Consumers

Other

6% Growth in Designer/Developer Segment

133% Growth in Business Users Segment

176% Growth in Consumers Segment

Geographic Segment Revenue

[CHART]

North America

EMEA

APAC-ROW

6% Growth in North America

28% Growth in EMEA

16% Growth in APAC and ROW

values and Culture

Values

Leadership leads through the change and adversity, makes the tough call when needed, motivates and encourages others

Teamwork-meets all team deadlines and responsibilities, listens to others and values opinions, helps team leader to meet goals, welcomes newcomers

Focus & Execution-targets and achieves results, sets challenging goals, prioritizes tasks, overcomes obstacles, accepts accountability,

Customer Focus-builds customer confidence, is committed to increasing customer satisfaction, assumes responsibility for solving customer problems, ensures commitments to customers are met, solicits opinions and ideas from customers

Integrity & Ethics-deals with others in a straightforward and honest manner, is accountable for actions, maintains confidentiality

Culture

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Q & A

Strategic Rationale

Deliver Compelling Solutions

Creative Professional

[GRAPHIC]

Digital Imaging & Video

[GRAPHIC]

Enterprise

[GRAPHIC]

Business User

[GRAPHIC]

Emerging Businesses

[GRAPHIC]

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Industry Defining Technology Platforms

[LOGO]

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This presentation includes forward-looking statements within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Words such as expect, estimate, project, budget, forecast, anticipate, intend, plan, may, will, could, should, believes, predicts, potential, contain, and other similar expressions are intended to identify such forward-looking statements. Forward-looking statements in this presentation include, without limitation, forecasts of market growth, future revenue, benefits of the proposed merger, expectations that the merger will be accretive to Adobe's results, future expectations concerning available cash and cash equivalents, Adobe's expectations with respect to future stock repurchases following the merger, including the timing and amount of such repurchases, and other matters that involve known and unknown risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to differ materially from results expressed or implied by this presentation. Such risk factors include, among others: difficulties encountered in integrating merged businesses; uncertainties as to the timing of the merger; approval of the transaction by the stockholders of the companies; the satisfaction of closing conditions to the transaction, including the receipt of regulatory approvals; whether certain market segments grow as anticipated; the competitive environment in the software industry and competitive responses to the proposed merger; and whether the companies can successfully develop new products and the degree to which these gain market acceptance. Actual results may differ materially from those contained in the forward-looking statements in this presentation. Additional information concerning these and other risk factors is contained in Adobe's and Macromedia's most recently filed Forms 10-K and 10-Q.

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Adobe Systems Incorporated intends to file a registration statement on Form S-4, and Adobe and Macromedia, Inc. intend to file a related joint proxy statement/prospectus, in connection with the merger transaction involving Adobe and Macromedia. **Investors and security holders are urged to read the registration statement on Form S-4 and the related joint proxy/prospectus when they become available because they will contain important information about the merger transaction.** Investors and security holders may obtain free copies of these documents (when they are available) and other documents filed with the SEC at the SEC's web site at www.sec.gov. In addition, investors and security holders may obtain free copies of the documents filed with the SEC by Adobe by contacting Adobe Investor Relations at 408-536-4416. Investors and security holders may obtain free copies of the documents filed with the SEC by Macromedia by contacting Macromedia Investor Relations at 415-252-2106.

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