

SYMANTEC CORPORATION 4Q10 & FY10 EARNINGS TRANSCRIPT

Introduction – Helyn Corcos, Vice President Investor Relations

Good afternoon, and thank you for joining our call to discuss fiscal fourth quarter and fiscal year 2010 financial results. With me today are Enrique Salem, Symantec's President and CEO and James Beer, Symantec's Executive Vice President and CFO.

In a moment, I will turn the call over to Enrique. He will discuss how Symantec executed during the quarter, then James will provide highlights of our financial results as well as discuss our guidance assumptions as outlined in the press release. This will be followed by a question and answer session.

Today's call is being recorded and will be available for replay on Symantec's investor relations website at www.symantec.com/invest. A copy of today's press release and supplemental financial information are posted on our website. And, a copy of today's prepared remarks will be available on our investor relations website shortly after the call is completed.

Before we begin, I'd like to remind you that we will review our non-GAAP financial results focusing on year over year constant currency growth rates unless otherwise stated. Sequential growth rates are based on as reported results. For the March 2010 quarter, the actual weighted average exchange rate was \$1.38 per Euro, and the end of period rate was \$1.35 per Euro compared to our guided rate of \$1.40 per Euro. For the March 2009 quarter, the actual weighted average rate was \$1.30 per Euro, and the end of period rate was \$1.34 per Euro. We've included a summary and reconciliation of the year-over-year growth rates in our press release tables and in our supplemental information.

As we stated on last week's call, we will regularly provide a currency update following the end of each quarter. This will be posted on our website's quarterly results section. Given the rapidly fluctuating exchange rate environment, we encourage everyone to apply the "rules of thumb" as a guide to estimating the impact of currency fluctuations on our financial metrics once the quarter has ended.

Moving on, some of the information discussed on this call, including our projections regarding revenue, operating results, deferred revenue, cash flow from operations, amortization of acquisition-related intangibles and stock-based compensation, for the coming quarter contain forward-looking statements. These statements involve risks and uncertainties that may cause actual results to differ materially from those set forth in the statements. Additional information concerning these risks and uncertainties can be found in the company's most recent periodic reports filed with the U.S. Securities and Exchange Commission. Symantec assumes no obligation to update any forward-looking statements.

In addition to reporting financial results in accordance with generally accepted accounting principles, or GAAP, Symantec reports non-GAAP financial results. Investors are encouraged to review the reconciliation of these non-GAAP financial measures to the most directly comparable GAAP results, which can be found in the press release and on our web site.

And now, I would like to introduce our CEO, Mr. Enrique Salem.

Introduction – Enrique Salem, President and CEO

Thank you, Helyn, and good afternoon, everyone.

I am pleased to report another quarter of solid results – it's great way to end the fiscal year. We started the fiscal year with a clear set of priorities, and as I look back over the year, I am proud of what we have accomplished. I'm pleased with the progress we have made in revitalizing our security business, moving customers to next-generation data protection, driving the commoditization of IT infrastructure, and expanding our cloud offerings. We also made significant progress using the technology across our business to develop unique integrated solutions that make cross-selling our products easier for our sales team.

Now I'll spend some time discussing highlights from the quarter.

Our Consumer business generated another quarter of robust growth reflecting strong go-to-market partnerships. Our results-oriented relationships enable us to acquire consumers and aggressively grow the business. We focused on replacing the competition and structuring positive financial deals for both Symantec and the partner. We entered into a significant new partnership with Samsung, shipping Norton Internet Security on their netbooks and Norton Online Backup on their netbooks and notebooks world-wide. In addition, Fujitsu signed an exclusive agreement to ship Norton products globally on their consumer and commercial PCs. We now have partnerships with 9 of the top 10 OEMs with our security products. We continue to expand our partnerships with our online backup offerings, and have partnerships with 6 of the top 10 OEMs, 5 of which we signed during the year.

Our new e-Commerce solution is already helping us to acquire and retain more customers. We were very thorough in the development of our e-Commerce platform, and we now have access to much richer information about our customers. We are also benefiting from the ability to quickly make improvements to address the unique needs of each customer segment and we have already seen an increase in OEM trialware conversions. We expect to complete the transition to our in-house e-Commerce platform by the end of the June quarter.

We continue to successfully up-sell customers from Norton AntiVirus and Norton Internet Security to Norton 360. We are excited about the new version of Norton 360 which became available in February and is already winning awards around the world, including PC Magazine's Editor's Choice. Norton 360 now includes our reputation technology which has earned us the top spot in rigorous industry tests such as AV Comparatives. Norton 360 remains the industry's lightest and fastest all-in-one security suite with an integrated tune-up feature that keeps a PC running like new. Customers using backup in Norton 360 or using our standalone Norton Online Backup product now have the ability to access their data from iPads, iPhones and Android devices. Symantec now hosts 56 petabytes of data for 12 million customers. We are the undisputed global leader in online backup.

Moving on to our enterprise business.

SYMANTEC CORPORATION 4Q10 & FY10 EARNINGS TRANSCRIPT

Surveys report that customers value the breadth of our portfolio and prefer to work with a single vendor. During the fourth quarter, 49% of our deals over \$1 million included sales from both our security and storage segments. This continues to build on the positive progression we've seen from 27% in the September quarter and 39% in the December quarter.

During the quarter, we also generated strong sales with companies in the financial services, telecommunications and the government sectors. TSYS, a leader in electronic payment services, selected Symantec for Endpoint Protection, Data Loss Prevention, Net Backup with deduplication, and Business Critical Services. The Australian Defense Department purchased our Control Compliance Suite and Business Critical Services, supporting over 90,000 endpoints and 5,000 servers. Also, a large global telecommunications provider choose Symantec for Storage Foundation High Availability, Enterprise Vault, NetBackup, and our Control Compliance Suite.

Our SaaS business, Symantec Hosted Services generated record revenue and posted double digit growth. Our solid performance spanned all geographies and all customer sizes, including noteworthy strength from the SMB segment. We saw increased adoption of our Hosted Services within the Symantec customer base. For example, Ford signed a multi-year contract to protect over 150,000 users. During the March quarter, 134 Hosted Services deals came from established Symantec relationships and we added more than 100 new partners to our SaaS distribution network. Additionally, our Symantec Protection Suites now include hosted mail and web security as add-on options. Finally, our new Symantec Hosted Endpoint Protection offering is currently in beta testing, and we are receiving positive feedback. We expect this offering, which brings together our expertise in endpoint security and SaaS, to be released this quarter.

With respect to our on-premise security solutions, data loss prevention and compliance achieved another strong quarter of double digit year over year bookings growth. In April, we announced new versions of suites across our entire security portfolio. We also announced the release of our new security management console, Symantec Protection Center. Symantec Protection Center integrates multiple technologies across our security business to deliver a unified management console with role-based access control, single sign-on, superior cross-product reporting, and integrated policy management.

In addition to the recent security releases, last week, we announced our pending acquisitions of encryption leaders, PGP and GuardianEdge. Combined with our data loss prevention solution, we continue to lead the market in providing comprehensive information-centric protection. Furthermore, with our March announcement of Data Insight, an internally developed technology created jointly by our storage and security teams, we will be the only company that can deliver intelligent, policy-driven security solutions to give users access to the specific data based on information intelligence and ownership. Going forward, data insight and encryption will be key technologies leveraged across our security and storage portfolio.

Our Storage and Server Management segment reported improved results year over year. We are seeing early traction in the adoption of version 5.1 of Storage Foundation High Availability, released in December 2009. This release enables organizations to capitalize on new storage technology, such as solid state drives and thin provisioning, while continuing to reduce costs and

SYMANTEC CORPORATION 4Q10 & FY10 EARNINGS TRANSCRIPT

complexity through improved performance and consolidation. We have expanded the distribution of our FileStore solution beyond the Huawei-Symantec joint venture, recently signing OEM agreements with Fujitsu America and Xiotech. This gives customers choice in how they want to deploy our scalable file server solution to handle demanding workloads and to build their storage cloud infrastructure.

With information continuing to grow at unprecedented rates, our focus on next-generation information management couldn't be more relevant. Both NetBackup and Backup Exec posted solid year over year revenue growth this quarter. In February we released NetBackup 7 and Backup Exec 2010 and the response from customers has been very positive. We are seeing high adoption rates for both products. There have been more than 1,000 customer installations of NetBackup 7 and more than 60,000 installations of Backup Exec 2010 since release. Customer adoption is being driven by the enhanced support for virtual environments and integrated deduplication features. Symantec is the only company that offers integrated deduplication at the client, media server, and on third party appliances through Symantec's Open Storage Technology or OST program. The industry supports our deduplication solution. We now have 14 independent hardware vendors in the OST program including Data Domain, Quantum, and FalconStor.

In conclusion, our March quarter results illustrate the ongoing progress we are making, and our new product releases position us well to take advantage of the improving economic environment.

With that, I'll turn the call over to James to provide the financial details of the quarter and then I'll provide some comments on what to expect in fiscal 2011.

James Beer, EVP & CFO

Thank you Enrique and good afternoon everyone.

I am pleased to report that our ongoing focus on consistent execution led us to exceed our guided range for each of our key financial metrics, both on an as-reported basis and after adjusting for foreign currency. We closed the year with strong cash flow from operations, generating a total for the year of \$1.69 billion, which clearly illustrates the resiliency of our business even during a challenging macroeconomic period. Our balance sheet continues to be strong, providing us with significant financial flexibility. We exited the March quarter with over \$3 billion of cash on hand, 60% of which is held onshore. We also generated solid sequential and year over year growth in deferred revenue.

During fiscal year 2010, non-GAAP revenue totaled \$6 billion, a decline of 3% from the previous year. Fiscal year 2010 Non-GAAP earnings per share were \$1.51 cents, down 4% year over year. Non-GAAP operating margin was down 180 basis points to 28.6% due to higher OEM placement fees and the launch of our new e-Commerce platform which together accounted for 120 basis points of the decline. The extra week of activity that occurred in the June quarter of fiscal year 2009 accounted for another 30 basis points of the year over year operating margin decline. As we move into fiscal year 2011, we will continue to improve the efficiency of our cost

SYMANTEC CORPORATION 4Q10 & FY10 EARNINGS TRANSCRIPT

structure as well as redirect more of our spending to areas that offer the most potential for growth, such as the consumer business and our hosted SaaS offerings.

Now, I'll review the financial details of the March quarter.

Non-GAAP revenue for the fourth quarter was \$1.535 billion, flat versus the year ago period in constant currency terms and an increase of 3% on an as reported basis. This quarter's revenue was driven by strength in our consumer, enterprise backup and archiving, data loss prevention and hosted services businesses. Net income was \$327 million resulting in fully diluted earnings per share of 40¢ for the March 2010 period. Several one-time tax benefits added 2 cents to this quarter's earnings per share.

During the quarter, the US dollar weakened 6% against the Euro versus the year ago period, increasing our international revenue as measured in US dollars. Foreign currency movements positively impacted revenue by \$40 million or by 3 percentage points year over year. Currency effects, however, negatively impacted revenue as compared to the guidance we provided on January 27th. Had currency remained at our guided rate for the March quarter, non-GAAP revenue would have been \$1.54 billion.

By geography, international revenue of \$768 million represented 50% of the total and decreased 3% year over year in constant currency. On an as reported basis, however, international revenue grew 3%. The Americas region grew 3% in both constant currency and on an as reported basis, while Asia Pacific Japan declined 1% in constant currency terms but grew 5% on an as reported basis. The Europe Middle East Africa region declined by 4% in constant currency and grew 2% as reported.

Now, moving on to revenue by segment.

The Consumer business had another strong quarter generating revenue of \$483 million, up 6% year over year and 9% on an as reported basis. This is the sixth consecutive quarter of year over year growth for the consumer group driven by our success in up-selling customers to our award winning Norton 360 suite. Norton 360 grew 34% versus the reported results in the year ago period and accounted for 37% of consumer revenue. We were pleased with the strength across the consumer business of both our electronic and retail distribution channels.

Our enterprise business, generated a total of 371 transactions valued at more than \$300,000 each, up 1% year over year. 87 of these transactions generated more than \$1 million, up 2% year over year. Of our deals valued at more than \$300,000, 70% included more than one of our products once again emphasizing the breadth of what we have to offer our customers.

The Security and Compliance group generated revenue of \$364 million, a decline of 1% year over year but up 2% on an as reported basis. Data Loss Prevention, endpoint management and Symantec Hosted Services posted strong double digit year over year revenue growth this quarter. We have been pleased by the boost given to our SaaS sales by the volume of business referred from our on-premise focused worldwide salesforce. We will continue to build out our portfolio of SaaS offerings during FY11.

SYMANTEC CORPORATION 4Q10 & FY10 EARNINGS TRANSCRIPT

The Storage and Server Management group generated revenue of \$578 million, a decline of 4% year over year and 1% on an as reported basis. We are encouraged, however, by the stabilization of our storage products sales across all platforms. We have reduced our dependency on the Solaris platform both by focusing on growth areas such as Windows and Linux and by strengthening our partnerships with IBM and HP. OEM revenue from Sun/Oracle accounted for only \$45 million during fiscal year 2010, equivalent to 5% of our storage management business.

Turning now to our backup and archiving businesses. After four quarters of year over year declines, Backup Exec posted revenue growth this quarter, driven by strong customer demand for our Backup Exec 2010 release. Enterprise Vault and NetBackup posted double digit and high single digit year over year revenue growth respectively.

Some years ago, the backup business saw a one-off increase in revenue at the time of a major product release as customers not under a current maintenance contract made catch-up payments in order to access the new release. In more recent times, however, we have seen an increase in customers renewing their maintenance contracts as a result of our including more meaningful features in each minor dot release and improvements in our renewal process. As a result, during the fourth quarter, we did not see an increase to revenue related to catch up maintenance payments even though we rolled out major new releases of both Netbackup and Backup Exec. Today, catch up maintenance payments consistently account for between 1 to 1.5% of each quarter's revenue and are driven by negotiations of large renewal deals that extend beyond the expiration of the previous maintenance contract, often times as a result of our salesforce working to cross-sell additional products into a particular customer.

Our Services business generated revenue of \$110 million, up 6% year over year and 8% on an as reported basis. While we are moving to a partner led approach to selling consulting services, we do not expect a significant reduction in our services revenue in fiscal year 2011 as a result of our relatively large backlog of bookings which we will fulfill during the coming year. Our new consulting strategy represents another commitment to our partners which we believe will yield improved license sales over time, as our partners focus upon Symantec's broad portfolio of solutions.

Turning now to margins, gross margin was 85.1% for the March 2010 quarter, down 90 basis points from the year ago period. Cost Of Goods Sold rose since this line item now includes credit card fees driven by our new e-Commerce store. In addition, royalties paid by our Hosted Services business also grew in line with that group's strong performance. Our operating margin of 28.3% was down 160 basis points year over year driven by higher consumer OEM fees, and the launch of our new e-Commerce platform.

Cash flow from operations for the March quarter grew 16% year over year on an as reported basis, driven by strong collections and lower tax payments. Our cost reduction efforts also contributed to cash flow growth as we were able to more than offset the cash effect of increasing OEM fees and the build out of our e-Commerce platform.

SYMANTEC CORPORATION 4Q10 & FY10 EARNINGS TRANSCRIPT

This quarter we spent \$189 million to repurchase 11.2 million shares at an average price of \$16.93. In total during fiscal year 2010, we returned \$553 million to shareholders by repurchasing 34 million shares at an average price of \$16.39. We have \$747m remaining on our current board authorized share repurchase plan.

Non- GAAP deferred revenue at the end of the quarter was \$3.22 billion, up 3% year over year in constant currency and 4% on an as reported basis. Sequentially, deferred revenue was up 5% on an as reported basis. Foreign currency movements negatively impacted non-GAAP deferred revenue versus our guidance. Had currencies remained at the guided rate for the quarter, deferred revenue would have been \$3.25 billion.

Now, I'd like to discuss our guidance for the June 2010 quarter. As we discussed on our call last Thursday, we are assuming an exchange rate of \$1.35 per Euro in our FY11 planning. Our guidance for this first quarter therefore, assumes this same rate versus the \$1.37 per Euro we experienced during the June 2009 quarter, equivalent to approximately a 1% currency headwind. Also, the end of period rate for the June 2009 quarter was \$1.40 per Euro versus our \$1.35 per Euro assumption – equivalent to approximately a 3.5% currency headwind. We will update everyone following the end of the quarter as to the actual FX rates incurred. Our guidance also assumes a common stock equivalents total for the quarter of approximately 810 million shares and an effective tax rate, before consideration of any loss from our joint venture of 27%. This figure contrasts with a full year tax rate assumption, before consideration of any loss from our joint venture, of 27.5%.

As we mentioned last week, beginning in fiscal 2011 we will discontinue reporting Symantec's revenue and deferred revenue on a non-GAAP basis. This change will make our disclosures more consistent with our peer group. As such, today we are providing revenue and deferred revenue guidance for the June 2010 quarter on a GAAP basis only. In addition, we expect the previously announced acquisitions of PGP and Guardian Edge to close during the June quarter. We have assumed that the two acquired companies will add a total of less than \$5 million to our first quarter revenue.

Thus, for the June 2010 quarter, we expect GAAP revenue to be in the range of \$1.48 to \$1.50 billion, as compared to revenue of \$1.43 billion during the June 2009 quarter. We expect revenue to grow by approximately 3% - 5% year over year on both an as reported and constant currency basis. Please note that we are expecting GAAP revenue from PGP and GuardianEdge to total \$50 to 55 million for the September through March quarters of FY11.

GAAP earnings per share are estimated to be between 16 and 17 cents as compared to 9 cents in the year ago period. Non-GAAP earnings per share are estimated to be between 35¢ and 36¢, as compared to 33¢ in the year ago period, up 6% - 9% on an as reported basis. We have included one half cent of dilution in our June quarter EPS guidance as a result of the two acquisitions. Please note, we expect PGP and Guardian Edge will together drive an additional one cent of dilution in the September quarter and another half cent of dilution in the December quarter. We expect the acquisitions to be accretive to our non-GAAP operating results starting in the March 2011 quarter.

SYMANTEC CORPORATION 4Q10 & FY10 EARNINGS TRANSCRIPT

We expect GAAP deferred revenue to be between \$3.06 and \$3.09 billion, compared to \$2.97 billion at the end of June 2009. We expect deferred revenue to grow 3% - 4% year over year on an as reported basis and 4% - 5% on a constant currency basis. We expect approximately 70% or \$1.04 billion of our June quarter revenue to come from the balance sheet.

In closing, we were encouraged during the March quarter by the improvement in our year over year revenue and deferred revenue performance which reflected our initiatives to further improve execution, and focus on our areas of greatest growth potential. In addition, our cash flow generation continues to be robust. We are working to develop this momentum in fiscal year 2011 as we focus on a clear set of priorities.

And now, I'll turn it back to Enrique to provide an update on our FY11 objectives.

Return to Enrique Salem

Thank you James. I'd now like to take a moment to discuss our focus areas for the coming fiscal year.

Customers are challenged by increased complexity and risk. Data volumes are still growing at more than 50 percent a year while the threat environment is becoming much more targeted. Customers want to expand the use of virtualization and understand how they can take advantage of software delivered as a service. In addition, customers are dealing with the consumerization of IT and the implication of users bringing new devices into the organization. And, they are managing too many point products and want to work with fewer vendors.

During fiscal 2011, we will build upon our 2010 accomplishments by helping our customers simplify how they manage and secure their information. Our goal is to enable customers to focus on running their business, instead of worrying about costly breaches and system failures that put their information at risk. We plan to do this by:

- 1) Building on the progress we've made in the security business by offering more solution suites, new encryption capabilities, and improved centralized management;
- 2) Extending our success in consumer security to protect critical information on devices beyond PCs;
- 3) Helping customers adopt SaaS and appliance solutions in their environments;
- 4) Driving innovation and technology advancements to more effectively backup and manage information;
- 5) Enabling customers to reduce costs by commoditizing their hardware infrastructure; and
- 6) Standardizing and automating more of our processes to simplify and improve the way customers and partners interact with us.

Our customers live and work in an information economy and protecting information is essential, no matter which devices or applications are used. We continue to focus on delivering solutions that allow customers to trust that their information will be there when they need it and trust that it is only available to those who should have access. Enabling trust is crucial to accelerating the information economy, enabling customers to take advantage of emerging technology trends, and enabling individuals and organizations to operate confidently in an information-driven world.

SYMANTEC CORPORATION 4Q10 & FY10 EARNINGS TRANSCRIPT

These efforts position us to be the vendor of choice in helping enterprises and consumers secure and manage their information – on any device, across both the enterprise and consumer segments, and in the cloud – better than any other competitor.

You'll hear more about our focus areas during our Financial Analyst Day on May 27th.

And with that, I'll turn it over to Helyn so that we can start taking some of your questions.

Hand over to Helyn for Q&A

Thanks. Operator will you please begin polling for questions.

While the operator is polling for questions, I'd like to update you on a few upcoming events. We will be hosting our financial analyst day on Thursday, May 27th in NY. Registration is required to attend, so please make your reservations as soon as possible. In addition, we will be presenting at the Bank of America Merrill Lynch conference on June 3rd. And, we will be reporting our fiscal first quarter results on July 28th. For a complete list of all of our investor related events, please visit our events calendar on the IR website. Operator, we are ready for the first question.

Return to Enrique Salem for Final Remarks

We closed our fiscal year achieving better than expected results on all of our key financial metrics. Sales activity continued to improve as the team utilized the broader Symantec portfolio to take advantage of cross-sell and up-sell opportunities. We drove continued improvement in our execution and results this year, positioning the company well for fiscal year 2011 as we focus on making it simpler for customers to secure and manage their information. Thank you for your time this afternoon.

Thank you

Please direct all questions to investor relations at 650-527-5523.