Fiscal Q1 2011 Foreign Currency Update

As rates can be volatile from one quarter to the next, we'd like to provide you with a foreign currency update as a guide to estimating the impact of currency fluctuations on our financial metrics.

We provide foreign currency exchange rate "rules of thumb" to help analysts adjust estimates to currency movements. As a reminder, our quarterly "rules of thumb" are currently as follows.

For each one cent strengthening of the U.S. dollar versus the Euro:

1 – quarterly revenue will decline by about $4 million;
2 – quarterly operating expenses will decline by about $3 million;
3 – quarterly deferred revenue will decline by about $7 million; and
4 – it takes approximately ten cents of U.S. dollar strengthening to decrease quarterly EPS by a penny.

Based upon the geographical mix of our business and the movement in exchange rates between the various currencies in which we transact business, these "rules of thumb" may change over time.

For the June 2010 quarter, we project the weighted average exchange rate to be $1.26 per Euro, and the end of period rate to be $1.26 per Euro. This compares to our guided rate of $1.35 per Euro. As a result, currency effects have negatively impacted revenue, deferred revenue and EPS on approximately 50% of our business that is transacted outside the U.S. as compared to the guidance we provided on May 3, 2010.

June 2010 Currency Impact Applying "Rules of Thumb"

	Guided FX Rate ($/€)	Projected FX Rate ($/€)	Difference ($/€)	"Rules of Thumb" FX Impact
Revenue	$1.35	$1.26	($0.09)	($36m)
Deferred Revenue	$1.35	$1.26	($0.09)	($63m)
EPS	$1.35	$1.26	($0.09)	(0.9¢)

Historical Currency Exchange Rates

FX Rate ($/€)	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10
Weighted Average Rate	$1.49	$1.32	$1.30	$1.37	$1.44	$1.48	$1.38
End of Period Rate	$1.38	$1.39	$1.34	$1.40	$1.46	$1.43	$1.35

We'd like to encourage everyone to apply these "rules of thumb" when estimating the impact of currency fluctuations on our quarterly financials.

We'd also like to encourage everyone to assume the end of period exchange rate of $1.26 per Euro when estimating the impact of currency on our quarterly financials for the September 2010 quarter and the rest of Fiscal Year 2011.

If you have any questions, please feel free to contact anyone on the Investor Relations team for assistance: (650) 527-5523 or hcorcos@symantec.com

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