

Thomson StreetEventsSM



Conference Call Transcript

SYMC - Symantec Financial Analyst Day

Event Date/Time: May 26, 2011 / 02:00PM GMT



May 26, 2011 / 02:00PM GMT, SYMC - Symantec Financial Analyst Day

CORPORATE PARTICIPANTS

Helyn Corcos

Symantec Corporation - VP, IR

Enrique Salem

Symantec Corporation - President and CEO

Angela Tucci

Symantec Corporation - Chief Strategy Officer

James Beer

Symantec Corporation - EVP and CFO

Bill Robbins

Symantec Corporation - EVP, Worldwide Sales and Services

Guy Chiarello

JPMorgan Chase - CIO

Myrna Soto

Comcast - SVP & Chief Infrastructure and Information Security Officer

Bill Barry

CompuCom - SVP, Enterprise Sales, CompuCom

CONFERENCE CALL PARTICIPANTS

John Difucci

JPMorgan - Analyst

Brad Zelnick

Macquarie Capital - Analyst

Rob Breza

RBC - Analyst

Dominic White

Espalier Global - Analyst

Michael Turits

Raymond James & Associates - Analyst

Keith Weiss

Morgan Stanley - Analyst

Rob Owens

Pacific Crest Securities - Analyst

Kevin Buttigieg

Collins Stewart - Analyst

Phil Rueppel

Wells Fargo - Analyst

PRESENTATION

Unidentified Speaker

Ladies and gentlemen, please welcome Symantec's Vice President, Investor Relations, Helyn Corcos.

Helyn Corcos - Symantec Corporation - VP, IR

May 26, 2011 / 02:00PM GMT, SYMC - Symantec Financial Analyst Day

Thank you so much. Welcome everybody. We are so glad that you could make it here today. I'm going to be really brief so we can get started. We have a full day of speakers for you today. I'm going to start off with the forward-looking statements, which you are all familiar with.

I think the highlights here is to make sure that you do read our risk factors that we have in our SEC filings to make sure you understand the different risks associated with either the financial projections that we are making, or the product roadmap plans that we might make. Any of that kind of stuff is basically just an expectation, and we are not obligated to update anything at this point in time.

So with that, we will move on to also a very logistical aspect of our financial representation, which is we talk about our financials in GAAP and non-GAAP measures, all of that reconciliation can be found in the text for James' presentation, which will be available later today, as well as on our website in any of our earnings filings, you can see any kind of reconciliation with regards to our financials.

And with that, I'm going to turn it over to our CEO and President, Mr. Enrique Salem.

Enrique Salem - Symantec Corporation - President and CEO

Helyn, thank you very much. I appreciate it. Good morning, everybody. I wanted to start off by just doing a quick introduction of the team that is presenting in [my stack]. So first, we have James Beer, our Chief Financial Officer. James? Angela Tucci, our Chief Strategy Officer; Janice Chaffin, Group President for our Consumer Business; Scott Taylor, who is our General Counsel.

Over in the second row we have Rowan Trollope, our new Group President for the Small and Medium Business Group. Sitting next to him is our Chief Technical Officer, Mark Bregman; Bill Robbins, our Executive Vice President of Sales and Field Services. Next to him there we've got Deepak Mohan, our Senior Vice President for our Information Management Group, Anil Chakravarthy, Senior Vice President for our Storage and Availability Management Group; and then Francis deSouza, who is our new Group President for Enterprise Products.

Where I wanted to start is just going over what we see changing the IT industry, because what we are seeing is a number of very big trends that are having impact on the consumer on the way to our enterprise customers, and they are really these five trends.

One, what is happening with the Cloud; two, virtualization; three, mobility; four, the information explosion, just the amount of data that is being created every day; and then lastly, the rapidly evolving and changing threat landscape that has become more toxic, more visible than ever before. So, I would like to talk about each of those five briefly.

The first one, it is really about how the Cloud is starting to change IT. You probably remember that familiar commercial, big data center, and then over time, you just saw one computer in the data center. Well, now with the Cloud it is going to change that.

Potentially you don't need to have your own data centers with your own computing resources, and it is absolutely empowering the lines of business to procure and leverage their own services. And so, IT needs to change. They need to think about how they take advantage of the services, because it will become a profound change. It is not just hype. This is one of those changes that will force IT to rethink how they deliver services.

There really are two ways that we think about the Cloud because our customers talk about it this way, and one is how do you deliver services for the Cloud? Meaning, how do we help them build up the infrastructure that they require to solve some of the key problems, scalability, availability? And so, we think about for the Cloud solutions.

The other or the second is from the Cloud; delivering our own capabilities as services to our customers in the form of software as a service from our own data centers. Now, what does this do? It allows our customers to more effectively scale up or scale down as needs in their environment change. It also should drive down costs and start simplifying their overall computing environment.

So from a Symantec perspective, as we listen to our customers, they really talk to us about three things that they feel are the barriers to potential adoption. The first is security. Everybody is worried as they put their data into the Cloud, they potentially take on risk. So they are saying to us, how do you help us have visibility into what is happening behind the services that we are using?

Second is availability. There has been a number of very high profile attacks recently, and some of them are high-profile outages recently, a couple of them have been in the news. And what customers worry about is, as I move services to the Cloud, am I now in a situation where I put my business at risk, because what I need may not be available?

May 26, 2011 / 02:00PM GMT, SYMC - Symantec Financial Analyst Day

And then, lastly, it is this notion of compliance. I had a customer just the other day talk to me about moving 30% of their users to Gmail. As they talked about it, they said before we can do that, we have to integrate some of our business processes into that migration. We need to integrate, for example, your Enterprise Vault product, which is part of our overall compliance process, into that effort. And so, as they think about moving to the Cloud, they need to think about how their business processes will continue to function.

The next big trend is all around virtualization, and obviously the driver of virtualization has been, how do you reduce costs every day? How do you give your lines of business more flexibility? What we are seeing is three phases of the adoption of virtualization.

We are through the first phase, which is specifically around virtualization of file, print servers, and some of the test environments. And now, we are moving into the second phase, and what is that second phase? That second phase is all about how do you move business critical applications into this new virtual environment. And the last phase would be, how do you use virtualization to drive Cloud creations under hybrid or under private Clouds?

Obviously, the other big thing that people focus on is, how do I make sure that my new virtual environment is as secure as my physical environment? So our goal is clearly to think through with our customers how are they able to work across physical and virtual environments and make them just as secure and just as manageable.

Next there is mobility. I think this one has been a trend that has been accelerating, if anything. This year, as you know at the end of December we saw more smart devices sold than PCs. We expect to continue to see the convergence of people's business and personal lives as information is accessed from wherever you are.

Clearly, what we are seeing is an acceleration of this concept that we called in 2005 the consumerization of IT. Because consumers are using these mobile devices, and they are bringing them into the workplace, and they are saying, I have to be able to do everything I need from this new device. And so the concept of bringing your own device to work has rapidly become what IT is thinking about.

Now the tension is IT is always trying to manage risk. So I have got this new device and I want to put corporate information on it, well, I assume some level of risk. As you see the split, what you have got is the end-user wants privacy. It is their device. They want to have control of what is on it. IT wants control in a different form. They want to control specifically what you have on that device, because they don't want corporate confidential information to get out there and potentially create liability for the corporation.

The next big trend, very specific to Symantec. We talked about information growing as much as 40% a year ago. As we saw the final data for 2010, 62% year-over-year growth, 800,000 petabytes. And ultimately what does it mean for IT is they have to rethink how they manage this information. There is no longer the ability to treat all information equally, and so they have to think what is the information that matters, how do we secure, how do we manage it, how do we deal with it effectively?

And so, what are the things they are having to do when they think about storing it? We can't store everything in tier one storage, too expensive. When they think about backing it up, our backup windows are no longer long enough to get through it all. When they think about how do they find the right information, how you discover that information. And so, ultimately, what is going on right now is they are absolutely saying, we need the right information to be delivered to the right people at the right time. And so, they are rethinking how they do that.

The last big trend. The threat environment -- I've been in the security business since the mid-80s, and sometimes you see an ebb and a flow. I will say the threat environment has become more toxic than ever before. Last year, 2010, 286 million new threats. 75% of the threats hit less than 50 computers -- very different. They are very targeted.

And what this means is that we are starting to see some very high-profile targeted attacks. Look at last year, WikiLeaks, Stuxnet, the attacks on RSA, Sony, Epsilon. So, awareness of the security issues is going up very, very rapidly. And because those attacks are now very targeted, they are trying to steal very specific types of information. We have got new actors. We have got nation states that are entering the game and trying to figure out what they can do to potentially be disruptive.

So if you think about the threats, what we come to know as the security industry is that a lot of the threats are actually insiders. They have credentials, they have access, they have the ability to attack the information, and so what has happened is we got to be more vigilant about who has credentials to what information, and what information do we have to protect. And obviously, we continue to see the external threat environment -- and again as I mentioned there is a number of different things we are seeing that are driving rapid awareness.

May 26, 2011 / 02:00PM GMT, SYMC - Symantec Financial Analyst Day

Now what do we mean, what do we see? What is the world that we live in, and how is this relevant, all of these trends that I just described makes Symantec's vision more relevant than ever, because we always talked about what are the implications as the world becomes much more connected. What are the implications as peoples' business and personal lives converge. And what it means is that they want to be able to use that device wherever they are.

They want to absolutely have simple and secure access to information. Now IT is always under the same pressure; how do they do more with less? And so, what we have to do through our vision is make sure that we can help IT be more secure, more scalable, and ultimately much more cost effective.

So, our vision has never been more relevant, we have always talked about how do we make it possible for people to work and play freely in a connected world. And as I think about that, and I think about the attacks we have seen recently I think about how much data is being created, I think about the changing in PC computing devices. Our vision is more relevant than ever.

As we think about the strategy, we have made some changes to our strategy to focus on what we see being driven by those big trends that I talked about. We have to secure and manage identities and information, and there is three very big areas. One, we have to be able to deliver identity and device independent security, because the IT administrator, android devices today, BlackBerrys, Apple iOS, WebOS, PCs, laptops, -- and so it has to be completely device independent.

What do they got to protect? From our perspective, it is not about moving down into the network, it is moving up to the end user and towards the information. So, it is about information protection. Now Symantec also sees that as there is more information in the world, how do you find the right information?

Last week, you saw us announce the acquisition of a small company called Clearwell. Why do we think that was important? Because what customers tell us is as they go through specific applications, for example the legal discovery process, they have to start sometimes with 150 terabytes of data, and comb through it with expensive legal resources to ultimately end up with one to two gigabytes of data that gets produced.

So when we talk about context and relevance, it is really about finding the right information that is appropriate for specific application. As we think about our approach what becomes very clear is we want to make sure that we're able to expand beyond any one form or factor, to expand our addressable market.

So here, we will be delivering our solutions as Cloud based services, as on-premise software, and as appliances. Our goal is to expand beyond what we have done in the consumer and enterprise markets, and have a renewed focus on the SMB segment. And I will ask our chief strategy officer, Angela Tucci, to come up in a few minutes and talk about what we are doing from a strategy perspective.

Now I want to take a moment and just review the accomplishments and the progress that we have made in fiscal year '11. First point, we talked about how do we improve customer and partner loyalty. You have heard us talk a lot about the notion of the net promoter score. It is a loyalty metric. It is well defined in the industry, and we have seen meaningful improvements in the net promoter scores across all of the different segments.

Janice will show you the progress we have made, where our net promoter score has improved 4x in the consumer business, and today with our peer group we are at the top of the list.

When you look about -- what we have done in the enterprise space, we have made it much easier for our customers to use our products, we have improved the quality of our products, and we have also made it easier for customers to work with Symantec. And our partner net promoter score - - because we rely on partners to take our products to market has also improved significantly.

These are all being supported by improvements we have made in product design, product integration, making it easier for our customers to work with Symantec.

Number two, last year we talked about successful integration of the recent deals that we have done. So successful integration of the three transactions, VeriSign, PGP, and GuardianEdge. I'm happy to report that with the process we put in place the discipline around understanding the financials, understanding how it is going to be integrated, making rapid decisions on how to integrate the companies, in this last year we were able to exceed expectations.

May 26, 2011 / 02:00PM GMT, SYMC - Symantec Financial Analyst Day

We delivered just over \$185 million, where our target for the three acquisitions was between \$165 million to \$180 million. We reduced the dilution from what we had forecasted as \$0.11 to \$0.085, and this more disciplined approach with clear accountability inside my organization is clearly working.

And then, lastly, from an improving execution perspective, we are continuing to see strength in our consumer business. Our consumer business has been incredibly resilient with 10 consecutive quarters of revenue growth. Our backup business -- we launched two new products at the end of fiscal year '10, Backup Exec 2010, and NetBackup 7.0, both of them enhanced virtual machine production, both of them improved our deduplication capabilities, and we are absolutely gaining share in our backup business.

One of the big questions people have all the time is, how are we doing in storage? Our storage management business has stabilized, we are clearly seeing an opportunity as customers move to virtualized environments to help them in that migration.

And then, as we move our attention to some of the work that we have done around our new offerings, Symantec hosted Endpoint Protection, we're driving that into our installed base. We are making real good progress there.

And then I am very pleased with the progress that we have made in our data loss prevention business. DLP March quarter over March doubled. It didn't just grow double digits as we sometimes talk about, it doubled. And that is because the threat environment is clearly driving customers to think about how do they protect their information.

In the SMB area, while we have made some progress, there is still more work to do there. And so, I have assigned Rowan Trollope, to be our Group President for that group, and I'm confident that we will see with that renewed focus improved results going forward.

Now as I look at the financial results, there is two leading indicators that we are very happy with because they show that our business is absolutely improving. One is bookings, and the other is operating cash flow. In fiscal year '11, we had double-digit bookings growth and we also saw cash flow at \$1.8 billion. And so, clearly those are leading indicators we expect to see in fiscal year '12.

Now let me just turn our attention to our FY '12 priorities. Two big areas. One, energizing our core business. As we think about our consumer business, and I mentioned that steady and consistent growth, what we have to do is we have to go beyond the PC environment. And Janice will talk about what we're doing there, so that we can attract and retain both new customers and existing customers.

We want to leverage our e-commerce platform, it has done very well for us, and we are looking at new ways of more effectively cross selling our capabilities to our customers, and potentially in bringing in other products and services that we can deliver.

Lastly, Janice is also focused on delivering new services, Norton Data Services that includes our online backup capabilities, and also our live services, which help customers deal with some of the challenges they face every day using their PCs.

In the SMB segment, this is all about making sure we have the right solutions for the market. The products that we have for large enterprise need to be adapted to work for the smallest businesses. So the work that we will do there is to make sure that our products are clearly tailored for that market segment.

We also want to make sure that we're capturing mind share with our key partners, so that when they take new products to market -- or our products to market they clearly understand how they do that. And then, lastly, we have created a group that is focused on this area. And so, with the higher level of accountability and focus we are confident that our results will improve.

The other thing that we got to do as we think about the enterprise market is I mentioned some big trends. As we talk about how rapidly information is growing, this absolutely gives us an opportunity to do a much better job in capturing more market share with our backup and recovery solutions.

The other thing that we are seeing is customers are having to rethink their backup and recovery environment, and they are having to think about how they use deduplication, virtualization protection, and how they leverage e-discovery.

Lastly, and as the threat environment has changed, it becomes very clear to us that this role of the chief information security officer becomes more important, as they have to deal with advanced persistent threats. And so, our data loss prevention, which has been a cornerstone of our information protection strategy, allows us to get into the discussions and then spread across the other technologies that we have in our security portfolio.

May 26, 2011 / 02:00PM GMT, SYMC - Symantec Financial Analyst Day

As we look forward, we also see some opportunities to stabilize our storage management business, by extending beyond the Solaris platform, and so what we have done is we have continued to do more work on the Linux platform, on the AIX platform, on the HP-UX platform. And so, we ultimately believe that our storage management business will continue to stabilize in the coming year.

But there are new opportunities, and we think that we can capitalize on those opportunities because customers in every discussion I go into today absolutely talk to us about how do I manage mobile devices? How do I treat them as just another device alongside my laptops and my PCs? And so, what we have done is we focused on device management, we focused on information protection, we focused on authentication for these devices.

From a Cloud perspective, we are delivering new services. We are up to 16 services now, there will be two that we add in Symantec's dot cloud environment, which are Backup Exec.cloud and Enterprise Vault dot cloud. And then, lastly, from a virtualization perspective, I think what becomes clear is we can do more in securing virtual environments, and helping our customers manage them.

So, in summary, what you have seen is clearly improving results from Symantec. We have had three consecutive quarters of above consensus performance, but more importantly what we see going forward is a very big market opportunity. The big trends in our vision are absolutely aligned, and we think that creates opportunity for our company.

We have a clear plan to execute against our vision and our strategies. And so, each of the leaders that you will see today will take you through the details of why we are confident we can execute against our financials, and against these new trends that we believe will help us accelerate the growth at Symantec.

With that I would like to say thank you and then bring up our Chief Strategy Officer, Angela Tucci, to take you through some more details on our strategy. Angela?

Enrique Salem - Symantec Corporation - President and CEO

Bill, thanks very much. Guy, I appreciate it. Thank you. Myrna, thank you. All right. What I wanted to do right now is just see if there were any other questions before we've got some breakout that we're going to do to go deeper into the different lines of business. And so I want to just take a moment and see if there were any questions for me before I wrap up this section. We've got two mikes right there. Go ahead.

Kevin Buttigieg - Collins Stewart - Analyst

Kevin Buttigieg from Collins Stewart. Obviously you had a good year last year, but you got up to a slow start at the beginning of the fiscal year. And that's a problem that has sometimes plagued Symantec in the past. So, how confident are you as you start this fiscal year and if you understand the problems as few slow starts in the past? And how confident are you that that situation won't be repeated?

Enrique Salem - Symantec Corporation - President and CEO

As we look at the last fiscal year, you saw improving momentum throughout the various quarters. What you heard this morning from my team was that we didn't arrive here by chance.

It was a lot of hard work and putting in place some things I think Bill described as the way to win, and clear improvements in our product portfolio, deeper integration -- I heard a question this morning that was asked about the synergy between our storage and storage management business and some of the other parts of the portfolio.

I will tell you today one of the biggest reasons we win in DLP is because we've built technology in the file systems that allows us to do a much better job of protecting information. And so our Data Insight technology is something that is sustainable. It is a differentiator, and it will continue to help drive results.

When I look specifically at the June quarter, we're comfortable with our guidance. We spent time analyzing our pipeline, our coverage, and we believe that we are in a place right now that allows us to be confident with our June quarter numbers. Now, we've taken other actions though.

May 26, 2011 / 02:00PM GMT, SYMC - Symantec Financial Analyst Day

Part of the thing we've done is we moved activities that were historically done in the June quarter, and we pushed them out because we lined our team to get off to a fast start and be focused right at the beginning of the quarter, not 30 days or 60 days in. And so there are a number of changes we've made to make sure we can get up to a faster start this year. And again, we're comfortable with what we guided to a couple weeks ago.

Bill Robbins - Symantec Corporation - EVP, Worldwide Sales and Services

A question right here.

Phil Rueppel - Wells Fargo - Analyst

Hi, it's Phil Rueppel at Wells Fargo. You mentioned mobiles, ads and virtualization is kind of key to the growth going forward. But if you look at the last few acquisitions you've made, they are more point product, more enterprise oriented. Do you think that your build capability internally or R&D internally is what's going to drive you in those new spaces, or could we see more activity in those going forward?

Enrique Salem - Symantec Corporation - President and CEO

Everything that we do, we're always looking at what we're building in the internal relation side. Mark Bregman, our CTO, has a breakout session today where he's going to talk specifically about four different innovations. Some of them you've heard about already today.

Angela mentioned the reputation-based security that's going in the Symantec endpoint protection that will ship in about a month or so. It's time once we finish the QA process. But what we look at in clouds, mobile and virtual, we absolutely have a lot of internal development. I mean, the work that Anil Chakravarthy's team has done around VirtualStore, around application ETA, that's been internally developed in conjunction with VMware. And so we'll continue that.

But clearly, there are some things that we want to do that we can look at into the marketplace and see how we can augment what we are doing. I mean, the Clearwell acquisition is an established company that has capabilities in the notion of how do you categorize information better for a very specific application that I believe will pull in other products.

And so ultimately, we will absolutely start with internal innovation and then augment our portfolio as needed. As you heard from some of the panelists, they talked about the ability to go a little broader, but ultimately deeper with Symantec.

And in Cloud mobile and virtual, while organic internal development is important, there would be some opportunities to augment that portfolio potentially with third parties. But as James said, we are going to be as disciplined as possible around what we pay for these transactions if we go out and pursue going forward. Thank you. A question in the back.

Brad Zelnick - Macquarie Capital - Analyst

Hi. Brad Zelnick with Macquarie again.

Enrique Salem - Symantec Corporation - President and CEO

Hey, Brad.

Brad Zelnick - Macquarie Capital - Analyst

Enrique, in last year's analyst day, there were three-year long-term targets that were set up for both consumer and the security and compliance segments that were a bit higher than we've updated them today. So I think consumer was mid-to-high single-digit. Now it's been guided to mid-single digit.

And security was I think mid-teens, and that was down to mid-to-high single-digit. Is this a change in outlook on the market or a change in outlook in your opportunity? And can you maybe speak to typically those two segments and why you give (inaudible)?

May 26, 2011 / 02:00PM GMT, SYMC - Symantec Financial Analyst Day

Enrique Salem - Symantec Corporation - President and CEO

As we look at the overall opportunity in both of those, I still see -- we still see lots of opportunity there. What we wanted to do was look at kind of that three-year view and where we see kind of the future opportunities.

And we're clearly seeing those opportunity there, but I'll give you an example. Last year, as I looked at our data protection business, our backup recovery deduplication, we are seeing more opportunity there. When we look at the cloud-based opportunities, we see more opportunity there.

And so ultimately when you manage our portfolio, there's always opportunities to say here are areas that are improving and then here are areas that we see a little bit of more risk or potentially not as much upside in the marketplace. And so it's really that management of the portfolio that we look at. And James guided to talk about a CAGR of 7% to 8% on the top line, and I think that's where we look at that portfolio and we're comfortable we can achieve that. James?

James Beer - Symantec Corporation - EVP and CFO

I'll just add to it. In terms of the guidance that we offered there on the three-year CAGR, there is a decline. Remember the acquisitions will have specifically impacted very materially last year's three-year CAGR. That was the CAGR FY '11, '12, '13.

And so, in that time period, we have very large growth rate driven by the three acquisitions that we entered into last year, all of which went into security and compliance. Going forward a year where we are now, talking about a CAGR for '12, '13, '14, you got to have that. So that's much more of a mechanism delta we have seen.

Enrique Salem - Symantec Corporation - President and CEO

I think we see a question up here. Bring him your microphone.

Unidentified Audience Member

I was looking at your balance sheet. I'm not sure that you've discussed all your options today, but I know you're buying back shares opportunistically and you've obviously paid down some debt. But with the growth being where you've laid it out today where I guess a group of investors who -- some may consider you a fast-growing company.

But if you possibly can issue a dividend because you can separate yourself and go for a new flat of investors that would be able to look at your company. Have you ever thought about that or ever looked at it?

Enrique Salem - Symantec Corporation - President and CEO

As we look at it, we absolutely look at the uses for cash around share repurchase, what we might do from an M&A perspective, and also from a dividend perspective. And we do model those three different options and understand them. What we ultimately do though is we still see this as an opportunity to drive growth.

And when I look those big trends and the changes that are coming, I mean, you heard it from our panelists -- and by the way, this is what my team does all day long. I mean, we spend a lot of our time talking to the folks that you saw in stage today. And what they tell us is that they are having to rethink their environment. The way they ran IT ten years ago is going to be very different.

And so, as we think about this notion of how do we use our cash, we absolutely think that there is an opportunity, as we said and James said, to continue repurchase our shares. We see opportunity to help drive our vision and execute against some of these big changes that will create further revenue growth.

May 26, 2011 / 02:00PM GMT, SYMC - Symantec Financial Analyst Day

And then, of course, we're always going to look at how do we balance that growth versus potential other uses of cash, like a dividend. And so we do have to model it. We think about what the opportunities are. And we're pleased, we're happy with the trajectory line right now, especially with the amount of IT investment that we expect to see over the next three to five years.

Unidentified Audience Member

Do you think the IDC numbers are a little bit inflated in what markets you are playing in, or do you think that you are possibly just not taking any share from this McAfee opportunity you talk about, or do you want anything that your growth, as stated before, in the high-single digits in some areas is just not the double-digit growth that looks to IDC or other market analysts to put on some of these sectors into the at least low-double digits for the three-year period?

Enrique Salem - Symantec Corporation - President and CEO

As we have the opportunity in the marketplace and as you see, these numbers are all driven by a lot of different analyses. And so I'm not going to tell you that their numbers are inaccurate, but what I see is what the opportunity for Symantec and our products. And we absolutely believe that with what you saw today, some of the improvements we're making in SMB, we're very comfortable with where we are with our growth rate, and we'll see what happens with the market estimates.

We are in a period though of significant change, and I do feel good about where we are right now on the growth rate or the projected growth rates for the company. Will there be more opportunity going forward? I believe there can be. But let's take it one year at a time and see how these markets unfold. But virtual, mobile and cloud, there's notion of the threat landscape.

I mean, you heard it up here. I mean, Guy's quote, he used the notion of in one day we have the number of attacks in 2006. This is opportunity. As far as McAfee, I would tell you they are but distracted right now. And as we look forward, we think there's some opportunity to gain some share in that security business alongside with the share we're already gaining on backup and recovery products.

Bill Robbins - Symantec Corporation - EVP, Worldwide Sales and Services

Thanks for the questions.

Enrique Salem - Symantec Corporation - President and CEO

Okay. All right. Well, look, I appreciate the opportunity that you've afforded us to be here today. We've got some more that we're going to do this afternoon with some very focused breakout sessions. And I'm going to let Helyn talk to you about in one moment.

I think what's important and what you've seen from Symantec over the last three quarters is that we put a disciplined process in place that is starting to drive specific and improved execution. That's not something that just happened by chance. It happened through a lot of hard work by my team. And so I'm comfortable with the results that we've posted and the guidance that we've given you today.

Second, the market opportunity is great. I absolutely see a market that is changing and moving in the direction of our vision. When we talk about confidence in the connected world, that's what our customers want and they are looking for who is the company that's going to provide. I absolutely believe that that's Symantec.

And given the clarity of vision and strategy that we're articulating, I feel very good about what we've talked about today, the opportunity ahead, and I'm confident we can execute our plan. What I'd like to do now is ask Helyn to describe the balance of the afternoon and the breakout sessions that we've put in place. So, Helyn?

Helyn Corcos - Symantec Corporation - VP, IR

Thank you, Enrique. Okay. So what we are going to do now is we'll take a five-minute break. If you can look on your badges, we've divided the analysts into groups of A and B. Those people who have A on their badges could stay here. You're going to go ahead and start and you'll have three speakers for the rest of the afternoon for the next two hours.

May 26, 2011 / 02:00PM GMT, SYMC - Symantec Financial Analyst Day

And then anyone who has a B on their badges, please come out and follow Rowan and a couple of people will take you down to the second floor and will have another set of three speakers who will be presenting to you for the afternoon.

For those people on the webcast, you will have to click out and open up one or the other tracked webcasts. All of the information will be handed out and available on the website. So, don't feel like you need to be in one track versus another. All the information is available to you. So thank you very much, and we'll see you downstairs.

DISCLAIMER

Thomson Reuters reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES THOMSON REUTERS OR THE APPLICABLE COMPANY OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

© 2011 Thomson Reuters. All Rights Reserved.