

**Introduction – Helyn Corcos, Vice President Investor Relations**

Good morning and thank you for joining us. With me today are Enrique Salem, President and Chief Executive Officer of Symantec and James Beer, Executive Vice President and Chief Financial Officer.

In a moment, I will turn the call over to Enrique. He will provide some comments on the performance in the fiscal fourth quarter of 2012, which ended March 30, 2012. He will then turn it over to James who will discuss the preliminary results for the quarter. 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 home page at [www.symantec.com/invest](http://www.symantec.com/invest). A copy of today's press release is available on our website and a copy of today's prepared comments will be available on the investor relations website shortly after the call is completed.

Before we begin, I'd like to remind you that we will review our financial results focusing on year over year constant currency growth rates unless otherwise stated. Earnings per share are based on as reported results. For the March 2012 quarter, the actual weighted average exchange rate was \$1.31 per Euro, and the end of period rate was \$1.33 per Euro compared to our guided rate of \$1.30 per Euro. For the March 2011 quarter, the actual weighted average rate was \$1.37 per Euro, and the end of period rate was \$1.41 per Euro.

I would like to remind everyone that some of the information discussed on this call, including our preliminary financial results for the fiscal fourth quarter and our projections regarding revenue and operating results 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 now, I would like to introduce our CEO, Mr. Enrique Salem.

**Prepared Comments – Enrique Salem, President and CEO**

Thanks Helyn and good morning.

Today, we announced our preliminary financial results for the March quarter.

Our fourth quarter bookings exceeded our internal plans and the underlying billings activity came in line with our previous expectations. However, we generated fewer license rich deals compared to the March 2011 quarter when we closed several particularly large contracts.

Approximately 60% of our license revenue typically comes from our storage and server management businesses. In the fourth quarter, large contracts from these businesses generated lower dollar values than expected. While we experienced a pause ahead of our Backup Exec product refresh, we continued to see momentum in our backup appliances.

In the March 2012 quarter, we sold more enterprise subscriptions than we expected. In addition, our high renewal rates continued to support growth in our maintenance streams. As a result, we saw a greater amount of our billings going to the balance sheet, driving stronger than expected deferred revenue.

Now, I would like to hand the call over to James to give you some preliminary financial information for the quarter.

**Prepared Comments – James Beer, Executive Vice President and CFO**

Thank you and good morning.

The preliminary results for our fiscal fourth quarter resulted in lower in period license revenue than our planning had assumed. Fewer license commitments drove declines in our license revenue of approximately 25% year over year. Maintenance revenue grew approximately 7% year over year. Total company subscription sales, which are made up of our consumer, authentication, managed security services and SaaS based offerings, accounted for approximately 41% of total revenue, up from 38% of revenue in the year ago period. Total subscription revenue grew approximately 10% year over year and represents an increasingly significant portion of our new business growth that is not included in our license revenue results. Our enterprise subscription solutions, which exclude our consumer offerings, accounted for approximately 13% of total revenue in the fourth quarter, up from 10% of revenue in the year ago period, and grew 30% year over year.

Revenue for the storage and server management group declined approximately 5%, with the storage management business declining approximately 8% and the backup and archiving business declining approximately 3%. The consumer business grew approximately 2%, and the security and compliance group grew approximately 9%.

During the quarter, our spending was largely in line with our expectations, although, over achievement in bookings drove larger commission payments for our enterprise sales team. Commission expenses paid in the fourth quarter results in greater revenue rolling off the balance sheet in the coming quarters.

Our preliminary results for the fiscal fourth quarter are estimated to be as follows. We expect GAAP revenue to be approximately \$1.68 billion.

GAAP earnings per share are expected to be approximately 78¢. I would like to note that this is higher than our original guidance as it includes the one-time impact from the sale of our share of the Huawei-Symantec Joint Venture. Non-GAAP earnings per share are expected to be approximately 38¢.

More of our billings activity was recorded on the balance sheet resulting in a higher deferred revenue balance. GAAP deferred revenue is expected to be approximately \$3.97 billion. In addition, we

continued to experience strong cash flow generation of approximately \$685 million. For fiscal year 2012 our revenue is expected to be \$6.73 billion, up 8.7% year over year.

Now, I'd like to spend a few minutes discussing our guidance for the June 2012 quarter. We are assuming an exchange rate of \$1.32 per Euro versus the weighted average rate of \$1.44 and the end of period rate of \$1.45 per Euro in the June 2011 quarter. This assumption reflects an 8% decrease from our weighted average rate of \$1.44 for the year ago quarter. Our guidance assumes an effective tax rate of 27% and a common stock equivalents total for the quarter of approximately 725 million shares.

For the June 2012 quarter, we expect GAAP revenue growth to be between -0.5% and 0.5% compared to \$1.653 billion in the year ago period.

We expect GAAP EPS growth to decline between 24% and 28% compared to 25¢ in the year ago period. Non-GAAP EPS growth is expected to decline between 5% and 7.5% compared to 40¢ in the year ago period.

We expect GAAP deferred revenue growth to be between 0.7% and 1.3% compared to \$3.689 billion in the year ago period.

With that, I'd like to turn it back over to Enrique.

### **Prepared Comments – Enrique Salem, President and CEO**

Thanks James.

While we are disappointed with the fourth quarter revenue and EPS results, we made significant progress during fiscal year 2012 driving the company's mission to protect people and information. Our flagship products have all been refreshed during the last six months and their competitiveness is illustrated by our leading positions in ten Gartner Magic Quadrants. Our Consumer products continue to receive industry leading customer satisfaction ratings and the consumer group is expanding its product portfolio to capitalize on the mobile opportunity.

With that, I'll turn it over to Helyn so that we can take some of questions.

### **Q&A – Helyn Corcos, Vice President Investor Relations**

Thank you, Enrique. As you know, we are still in our financial quiet period, therefore these are all the publicly stated comments we plan to make until we announce our actual results on May 2<sup>nd</sup>. Similarly we will need to limit our Q&A discussion to only those numbers we have provided today. That concludes our prepared remarks. Operator, please begin polling for questions.

### **Conclusion – Enrique Salem, President and CEO**

Thank you for joining us this morning. I look forward to speaking with you again on May 2<sup>nd</sup>.

### **Thank you**

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