

**Helyn Corcos, Vice President, Investor Relations, Symantec**

Good afternoon everyone and thank you for joining us. With me today are John Thompson, Chairman of the Board and CEO of Symantec, and James Beer, Executive Vice President and CFO.

In a moment, I will turn the call over to John. He will discuss highlights of our results for the fiscal second quarter 2007, which ended September 29, 2006. James will discuss the financial details of the quarter and will review guidance for the fiscal third quarter and fiscal year 2007 as outlined in the press release. John will provide a few more concluding remarks before we open the lines up to take your questions.

Today's call is being recorded and will be available for replay on Symantec's investor relations home page at [symantec.com/invest](http://symantec.com/invest). In addition to today's press release, a copy of our prepared remarks and supplemental financial information are available on the IR website.

Before we begin, I would like to remind everyone that some of the information discussed on this call, including our projections regarding revenue and operating results for the coming quarter and fiscal year, 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 IR website.

And now, it's my pleasure to introduce our CEO, Mr. John Thompson.

**John Thompson, Chairman and CEO, Symantec**

Thanks Helyn.

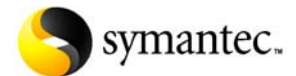
Our results for the September quarter met the low end of our expectations, as we continue to build a strong deferred revenue base. I believe the underpinnings of our businesses remain healthy and we are poised to achieve our full-year financial targets.

Overall, we saw strength in our business in the Americas and Asia Pacific. However, sales weakness in our EMEA enterprise business was a disappointment. Contributing to the region's underperformance were a number of factors including weak macroeconomic conditions and a number of sales execution issues across the region.

Earlier this year, we selected John Brigden to lead our EMEA operations. John is an energetic leader who has made good progress in redefining his organization and building the kind of country level leadership team we need for the long term. He is making thoughtful moves and I am encouraged both by the way he has tackled the task and the reception of the team. We know we've got more to do, but we're convinced we have the right leader at the top.

Our consumer and services groups were quite strong. And, the Data Center Management group turned in a very solid quarter. And underpinning these revenue results is very strong growth in deferred revenue, which is a very important element in our overall business model.

Our value proposition is resonating more strongly than ever with CIO's. Customers around the world understand the benefits of a more standardized operating environment which enables them to reduce the complexity and the cost of managing their infrastructure.



We now have tools that clearly illustrate the return on investment a customer can achieve by implementing Symantec's solutions in the data center. In some cases, the analysis suggests savings of upwards of \$100 million dollars. I'll share a few examples of this with you in just a moment.

With what's traditionally the most challenging part of the fiscal year behind us, I believe we are well positioned to achieve our full year forecast for fiscal 2007. We have an energized team and the demand for our solutions is evident in our pipeline.

During the September quarter, we booked 280 transactions valued at more than \$300,000 each, including 66 deals worth more than \$1 million each. In addition, 76% of transactions over \$300,000 included multiple products or services. These metrics underscore how our sales force realignment has improved our ability to cross sell the broad portfolio of products.

I'd like to highlight a couple of the larger deals that illustrate the breadth of products we are selling to customers around the world. We signed a multi-million dollar deal with a global financial services firm. They purchased a combination of security and availability solutions. As we were negotiating the renewal of an existing contract, we were able to demonstrate the value of consolidating more of the client's data center infrastructure software through a thoughtful ROI analysis. The net result was a much larger transaction that was expanded to include antivirus, antispam, Ghost, Storage Foundation, NetBackup, and Cluster Server products.

We also gained a new customer in one of the world's leading energy companies. They worked with our consulting team to strengthen their policy and endpoint compliance initiatives. We tailored a solution for them using our Symantec Control Compliance suite that helps enterprises implement, measure, and maintain compliance with security configuration standards. This solution included technologies that we acquired from both BindView and Sygate.

We also had our biggest quarter ever in the Federal vertical as we saw strength with both the Department of Defense and the civilian sector. We had several multi-million dollar and multi-product deals that included a wide range of products from our security and availability portfolio. One large government service organization expanded their business with Symantec, and now covers endpoint compliance, storage, and backup – displacing other smaller point product providers in the process.

Now, I'd like to share a closer look at the performance of our four business segments during the September quarter.

The consumer group posted another strong quarter, growing 12% year-over-year. Growth was driven primarily by strength in our online distribution channel and our Internet Security suite.

In September, the team launched the 2007 versions of our flagship Norton products. These industry leading security applications offer enhanced technology and performance to protect users from today's evolving online threats.

As a testament to our leadership in the security suite arena, Norton Internet Security 2007 won the coveted PC Magazine Editor's Choice Award. In head-to-head competition versus all in-market security suites, NIS 2007 came out the clear winner. Our world-class security protection was touted for its superior firewall, improved antispam capabilities and its reduced consumption of valuable system resources. I'm very proud of the team's success in continuing to deliver a solution that is head and shoulders above the competition.

We delivered the world's first comprehensive online transaction security solution, Norton Confidential. This product provides consumers with unprecedented, dual-level protection against the most dangerous tools in an attacker's toolkit: fraudulent phishing Web sites and eavesdropping crimeware. Norton Confidential is the only online transaction security solution designed to protect consumers at the moment they are transacting over the web.

We are also coming up to the anniversary of our auto-renewal program in North America. This program is now being rolled out in EMEA and the process will begin for the Asia Pacific and Japan region in 2007.

Our consumer product portfolio continues to expand and strengthen to meet the changing needs of our customers. Symantec is out-innovating the competition with new products, new partnerships and expanding distribution channels.

Now, let's take a look at the Data Center Management Group. This segment performed solidly, growing 8% over the same period last year. Growth was led by our Storage Foundation solutions.

Our Data Center products continue to show impressive strength, driven by customer demands for standardization. While large organizations today are straining under the complexity of their infrastructures, Symantec's Storage Foundation suite lets customers standardize on a common software layer to manage their heterogeneous storage environment. We are focusing our sales and marketing efforts on the global 2000 since it's here that we have been able to show our customers a tremendous return on their investment through standardization.

While standardization has been primarily a Storage Foundation story, we are starting to apply this approach more broadly, specifically in the NetBackup market. We are encouraged by the early positive feedback from customers.

Our services group posted another strong quarter growing 14% year-over-year.

The consulting group played a key role in a number of deals for us during the quarter. Using our consulting services, a large US government agency has now standardized on our Managed Security Services and DeepSight response technologies to give it a real-time view of the online threat environment. The agency will also utilize our onsite training services to optimize their own malware intelligence resources.

We recently announced an exciting joint initiative with Accenture. We've teamed with Accenture to create what we're calling Accenture and Symantec Security Transformation Services, which will build and implement data security solutions for companies grappling with the increasing complexity of managing risk in their IT environment. This will be a global initiative comprised of consultants from both companies focused on three key areas: compliance, security monitoring and management, and application security.

Going forward, we will look to further expand the capabilities of our services group, which I believe will continue to be an integral part of our total solution set for large enterprise customers. We have a trusted brand and are establishing ourselves as a strategic advisor to our customers.

In the September quarter our Security and Data Management Group posted moderate growth versus last year and experienced a modest rebound from last quarter's year-over-year decline.

Our email security and our policy compliance offerings performed well. We are starting to experience good traction with our endpoint compliance offerings, as well as our BindView policy compliance products. Both of these technologies were acquired earlier this year.

Our enterprise antivirus continues to be a significant contributor to this segment. However, the sale of content filtering technologies is part of a much broader strategy we call Security 2.0, which is all about protecting corporate information, both structured databases and unstructured files and documents.

I know some of you were able to attend our Security 2.0 event earlier this month. At this event we outlined our vision for protecting our customers from the next generation of threats targeting their information and interactions. Our view of Security 2.0 brings together an ecosystem of products, services, and partnerships to help customers remain confident in today's connected world.

At the event, we also announced our plan to deliver two new products that address data leakage – a rapidly growing concern for today's CIO's. First, the Symantec Mail Security 8300 Series, a next-generation mail security solution that helps organizations protect against data leakage while ensuring compliance with external regulations and internal

corporate policies related to e-mail content. This is a solid example of how Symantec is focusing its offerings on the most important threats of today to address the growing and changing demands of our customers.

Additionally, we announced Symantec Database Security – a new solution that reduces risks to information stored in major enterprise database management systems. It provides real-time fraud and data leakage detection as well as auditing capabilities to address growing compliance requirements for secure information access.

With the changes we have made in our sales coverage model, the new products emerging from our labs and the level of enthusiasm we hear from our customers and partners alike, I believe our results for the September quarter leave us poised to deliver on our full-year outlook.

Now, I'll turn the call over to James for a detailed review of our financials.

**James Beer, Executive Vice President, Chief Financial Officer, Symantec**

Thank you John and good afternoon everyone.

GAAP revenue for our September 2006 quarter was \$1.262 billion. Non-GAAP revenue grew approximately 7% versus the September 2005 period to \$1.275 billion.

Foreign currency movements positively impacted non-GAAP revenue by almost \$22 million in the September 2006 quarter as compared to September 2005. Sequentially, foreign currency movements had a \$6 million positive impact on revenue.

The September quarter's diluted GAAP earnings per share was 12¢. Non-GAAP diluted earnings per share for the quarter were 26¢.

International non-GAAP revenue for the September quarter grew 10% versus the year ago period to \$637 million and represented 50% of total non-GAAP revenue. The Americas grew 5%, Asia Pacific, including Japan grew 11%, and the Europe/Middle East/Africa region grew 8%. As John mentioned, the EMEA region posted weak results, declining 3% from the June quarter. Excluding currency effects, EMEA revenue grew by 4% year-over-year.

Now, I'd like to move on to revenue by segment for the September-06 quarter.

Consumer revenue came in at \$395 million up 12% versus the September 2005 quarter and up almost 3% sequentially. It's important to note that although launching our 2007 products on time was an important objective for the consumer team, it did not have a material impact on revenue in the September quarter.

Growth was driven primarily by strong electronic distribution activity from our online store, subscription renewals and upgrades. From a product perspective, the growth was driven by strong sales of our Norton Internet Security suite.

Electronic distribution channels represented nearly 70% of consumer revenue and grew 22% versus the September 2005 quarter. Norton Internet Security revenue grew nearly 50% year-over-year and 7% sequentially. Norton Internet Security remains the single largest product contributor to our consumer category - - now generating approximately 56% of total consumer revenue.

Moving on to our enterprise segments, our Security and Data Management revenue of \$484 million grew by 1% over the September 2005 quarter. Our IT policy compliance products experienced the largest year-over-year gains as these solutions continue to lead their respective markets. Our email archiving products also posted double digit growth.

The Data Center Management business generated revenue of \$342 million, growing 8% from the September 2005 results. As John mentioned, the Storage Foundation family of products continued to deliver solid double digit percentage revenue

growth.

And, our Services group posted another strong performance increasing revenue to nearly \$55 million, up 14% from the September 2005 quarter. Services represented approximately 4% of our total revenue.

Non-GAAP gross margin was 83.2% for the September 2006 quarter. Gross margin was lower than expected for two reasons. First, the costs associated with replacing the Norton 2006 products with the new 2007 versions - - last year, these costs occurred in the December quarter. And, second, some final obsolescence charges associated with the appliance lines we exited earlier this year. We expect to see improving gross margins during the second half of the fiscal year.

Non-GAAP operating expenses were \$723 million for the September 2006 quarter. Increased spending in our consumer, services and information systems areas was offset by our focus on expense management including reduced hiring. We also expect to see improving operating margins during the second half of the fiscal year.

GAAP net income was \$123 million for the September 2006 quarter. Non-GAAP net income equaled \$259 million.

Symantec exited September with a cash and short-term investments balance of almost \$3.0 billion. Approximately two-thirds of our cash resides overseas.

During the September quarter, we paid \$520 million to retire the Veritas convertible notes.

Also, during the quarter, we completed our plan to repurchase approximately \$975 million worth of our shares. We bought back approximately 53 million shares at an average price of \$18.32.

To summarize our repurchasing activity so far this year, the \$1.5 billion program related to the convert is now complete. We purchased a total of 90 million shares at an average share price of \$16.63.

And, we've completed half of the \$1.0 billion program. So far, we have purchased nearly \$520 million worth of our shares, or almost 30 million shares, at an average share price of \$18.11.

During the December quarter, our share repurchase activities will continue. We expect to repurchase approximately \$250 million worth of our stock by the end of the calendar year and then complete the \$1.0 billion program by the end of the fiscal year.

Our net accounts receivable balance at the end of the September 2006 quarter was \$562 million. Days-sales-outstanding, or DSO, was 40 days, in line with normal seasonal trends for the combined business.

Cash flow from operating activities for the quarter is expected to be between \$250 and \$260 million. This is lower than cash flow from operations of \$318 million in the September 2005 quarter primarily due to reduced income tax benefit during the quarter just closed from stock option effects. This quarter's cash flow is also lower than the June 2006 cash flow from operations of \$354 million primarily due to changes in the accounts receivables balance. We expect to see improving cash flow from operations during the second half of the fiscal year.

Our capital expenditures for the quarter is expected to be a positive \$14 million as planned spending was more than offset by proceeds from the sale of our Milpitas, California site.

GAAP deferred revenue at the end of the September 2006 quarter was \$2.228 billion. Non-GAAP deferred revenue at the end of the quarter reached a record \$2.25 billion. In fact, non-GAAP deferred revenue grew \$512 million or almost 30% as compared to the September 2005 quarter, and grew versus June 2006.

On a non-GAAP basis, enterprise products represented roughly 60% of deferred revenue, with consumer products accounting for the remaining 40%. We expect about 58% or approximately \$780 million of our December quarter revenue to come from the balance sheet.

As we have discussed previously, we are on schedule to complete, later this quarter, the final major integration task of the Symantec-Veritas merger. The integration of our two ERP systems into a single enhanced system will allow us to implement new buying programs, drive operational efficiencies and create a platform from which we can work to improve the ease of transacting business with our customers.

Now, I'd like to spend a few minutes discussing our guidance.

In summary, we are reaffirming our previously announced fiscal year guidance. Given the current business environment and an exchange rate of \$1.24 per EURO, our forecast for the December quarter and FY07 are as follows.

GAAP December revenue is estimated between \$1.315 and \$1.345 billion. Non-GAAP revenue is estimated between \$1.325 and \$1.355 billion.

GAAP earnings per share are forecasted between 14¢ and 15¢. Non-GAAP earnings per share are estimated between 29¢ and 30¢. We expect fully diluted common stock equivalents to be 962 million shares.

For the full year, we are continuing to forecast GAAP revenue of between \$5.1 and \$5.3 billion. Our non-GAAP revenue guidance is expected to be between \$5.2 and \$5.4 billion.

We expect GAAP earnings per share to be between 46¢ and 56¢. Non-GAAP earnings per share continues to be projected between \$1.06 and \$1.16. We expect fully diluted common stock equivalents for fiscal year 2007 to be 992 million shares.

Lastly, we are reaffirming non-GAAP deferred revenue and cash flow from operations expectations for FY07. Specifically, we expect deferred revenue to be in the range of \$2.4 to \$2.6 billion, and we expect cash flow from operations to be in the range of \$1.5 to \$1.7 billion.

In summary, we feel encouraged about the long-term prospects of our business and we're on track with our previous estimates for the fiscal year.

And with that, I'd like to hand the call back to John.

**John Thompson, Chairman and CEO, Symantec**

Thanks, James

I'd like to highlight a couple of significant partnership agreements we entered into recently. These partnerships are an important component of Symantec's growth strategy as we establish strong ties with leading companies whose products and services compliment our offerings. This allows us to leverage our combined strength and focus on common customers...and common competitors.

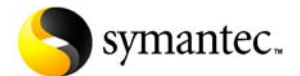
Last month, we announced a strategic technology and go-to-market partnership with Juniper. Symantec and Juniper are collaborating to reduce customer cost and complexity in deploying unified threat management appliances, as well as endpoint compliance and access control solutions.

We also signed a new partnership with Dell with the creation of Secure Exchange, an offering that brings together hardware, software and services into a full solution that protects and archives email environments. Secure Exchange takes time and complexity out of deploying a secure, reliable Exchange environment with extensive archiving capabilities. The

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offering will include Symantec’s Mail Security 8300 Series Appliance, Symantec Mail Security for Exchange, Backup Exec and our Enterprise Vault product.

Looking ahead in the consumer segment, it is clear to us that the trend of financially motivated threats will continue, as will the overall movement towards doing nearly everything online. We will continue to provide protection to consumers as we have in the past – but we have expanded into other areas of protection to give consumers confidence and trust while they operate online.

Norton Confidential Online Edition, a version of Norton Confidential, is designed for partner companies to be delivered on-line to their customers. This will be our first product where we partner with enterprises, such as financial institutions and online retailers, to deliver protection to their consumers. This creates a new distribution channel for us, and gives our partners the ability to protect their customers’ online transactions and interactions.

And finally, on our July earnings call, I discussed our intent to expand in India. We have decided to augment our presence in Pune with an additional facility in Chennai, capable of accommodating up to 1,000 Symantec employees. Chennai is a major commercial and industrial city with a rich talent pool. In fact, we already support a portion of our consumer mission from Chennai. Additionally, we have decided to expand our presence in Pune, capable of accommodating up to 2,500 employees. With these facilities, we expect to double our investment in India over the next few years.

In summary, I remain enthusiastic about our position as we enter what is seasonally the strongest part of our fiscal year. Moreover, I am confident the team will achieve the guidance we have reaffirmed today. My optimism is based on several facts:

1. Our enterprise pipeline is stronger than it’s ever been,
2. Our sales force is becoming more efficient,
3. The number of large deals we’re signing continues to increase,
4. Our consumer business continues to deliver industry leading products,
5. We have a broad portfolio of products and services that address the top concerns of today’s CIO’s,
6. And, we have a trusted brand that gives us the opportunity to earn the right to be a strategic advisor to our customers around the world.

Now, it’s all about execution.

I’ll now turn it back over to Helyn so we can take some of your questions.

**Helyn Corcos, Vice President, Investor Relations, Symantec**

Thanks. Operator will you please begin polling for questions.

While the operator is polling for questions, I’d like to announce that Symantec plans to attend the following upcoming conferences: Goldman Sachs on Nov 8<sup>th</sup>, CSFB on Nov 28<sup>th</sup>, Lehman on Dec 5<sup>th</sup> and JP Morgan on Dec 13<sup>th</sup>.

For a complete list of investor related events, please visit our events calendar on the investor relations website. Operator, we are ready for the first question.

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Please direct all questions to investor relations at 408-517-8324.