Symantec 2004 Analyst Meeting

February 25, 2004

Welcome

Helyn Corcos

Vice President Investor Relations

Forward Looking Statements

- This financial outlook presentation contains forecasts and other forward-looking statements that involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from results expressed or implied by this presentation. Such risk factors include, among others: the sustainability of recent growth rates, particularly in consumer products; the anticipation of the growth of certain market segments, particularly enterprise security; the positioning of Symantec's products in those segments; the competitive environment in the software industry; general market conditions, fluctuations in currency exchange rates, changes to operating systems and product strategy by vendors of operating systems; acquisition risks; and whether Symantec can successfully develop new products and the degree to which these gain market acceptance.
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Summary of Exhibit Areas

CONSUMER
Products

Global SERVICES
& SUPPORT

CONSUMER
Distribution

ENTERPRISE
Administration

INTEGRATED
Security Protection

CUSTOMER
Focused Solutions

Helping Customers Secure and Manage their IT Infrastructure

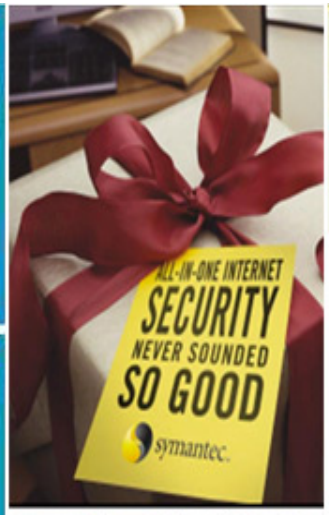
John W. Thompson

Chairman and Chief Executive Officer

Fiscal Year 2004 Accomplishments

- Expanded online distribution model
- Delivered enhancements to products and services
  - 72 product releases in 2003
  - 4 services releases in 2003
  - Launched 2nd generation integrated appliance - Symantec Gateway Security
  - Established position for our management solutions
  - Successful OEM and ISP offerings
- Continued investments in infrastructure

Fiscal Year 2004 Accomplishments



30%

growth

in revenue and earnings

Fiscal Year 2004 Drivers for Success

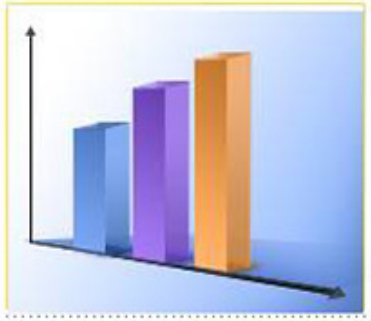
- Diverse set of customers
- Broad global reach
- Breadth of product and services offerings
- Aggressive sales team
- Strong channel partners
- Most trusted brand

Technology Growth Trends

1 Changing CUSTOMER Needs

- Symantec
- Vendor 2
- Vendor 3
- Vendor 4
- Vendor 5

2 SERVICES as a Growth Engine

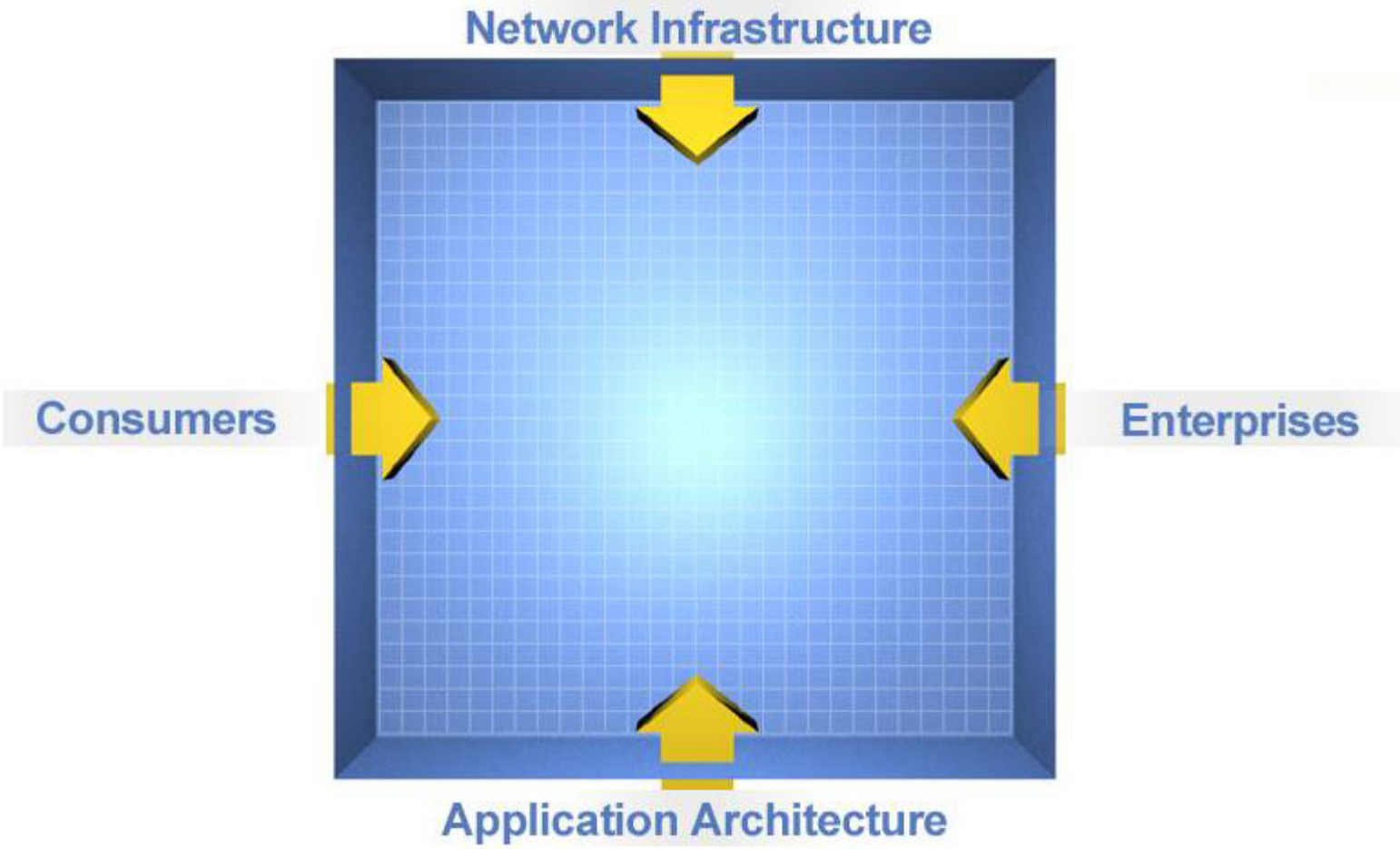


3 Wireless Access PROLIFERATES

4 LINUX Comes Into Its Own

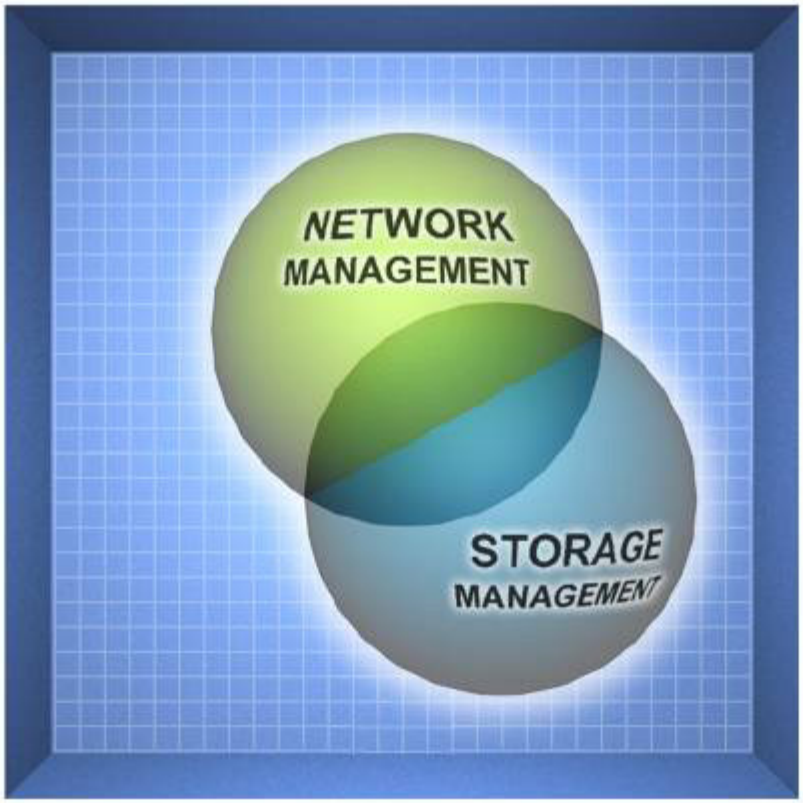
5 CONSOLIDATION Pressures

Today's Changing IT Environment

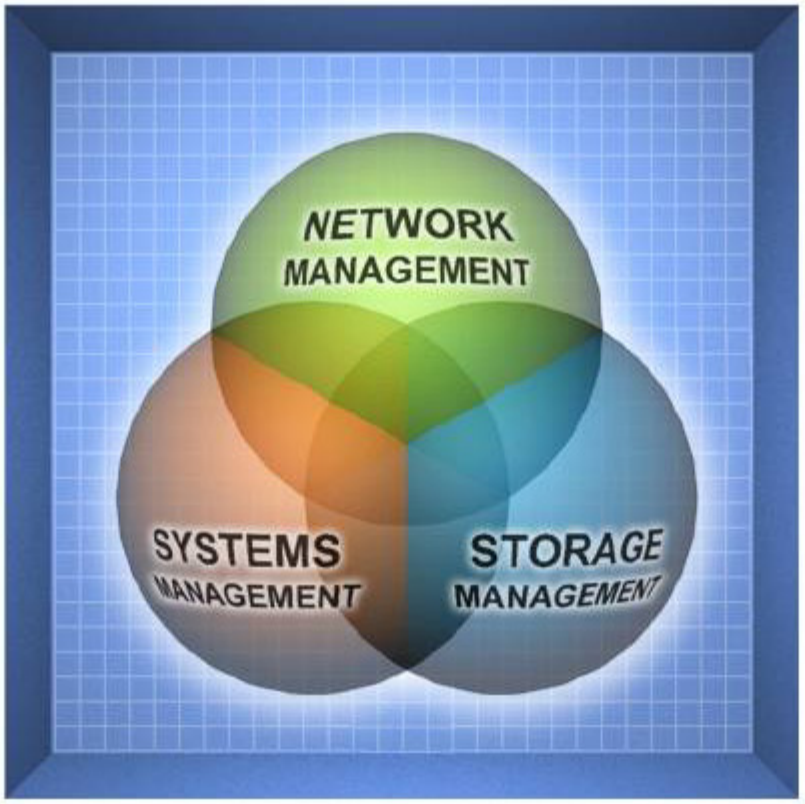


The Complexity of Network Management

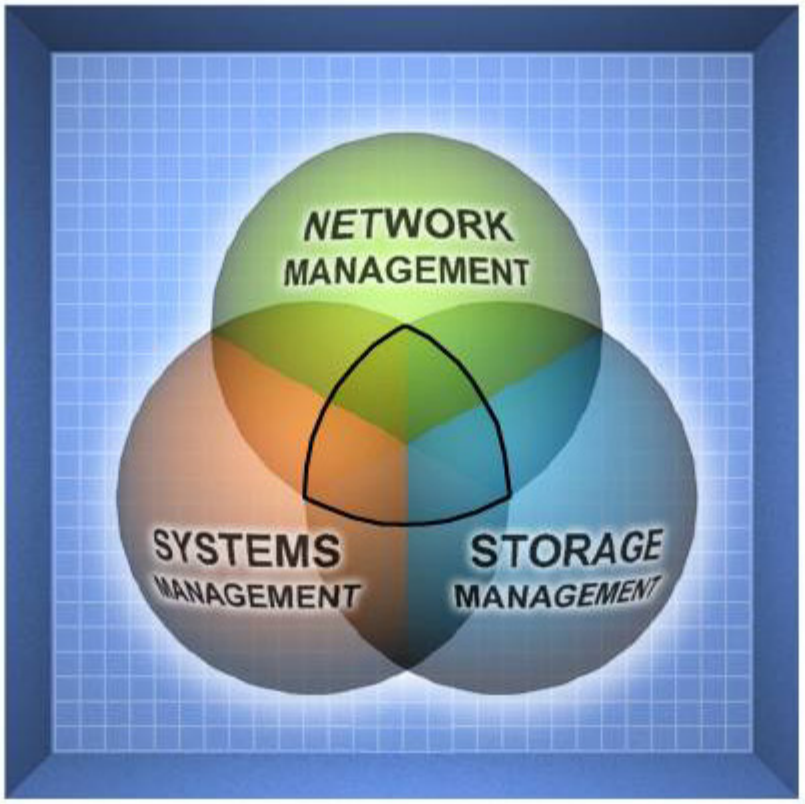
The Growing Cost of Storage



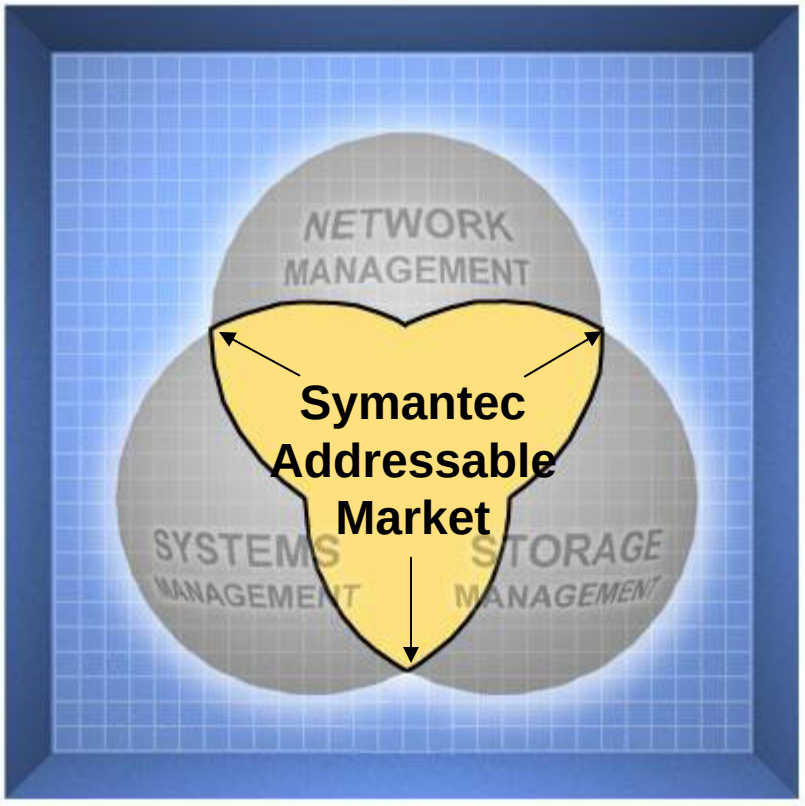
The Challenges of Systems Management



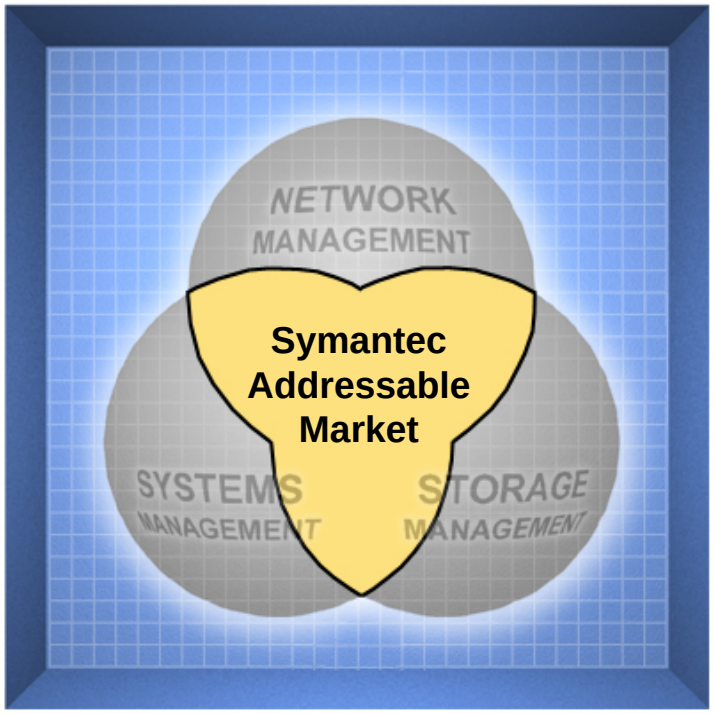
The Case for Convergence



The Convergence Opportunity



Increased Addressable Market



2003

Information Security
$ 7 B

Services
$ 6 B

Enterprise Administration
$ 3 B

TOTAL
$ 16 B

CAGR: 19.0 %

2007

Information Security
$ 14 B

Services
$ 12 B

Enterprise Administration
$5 B

TOTAL
$ 32 B

Source: IDC, 2003 and Symantec Analysis, 2004

Fiscal 2005 Goals

- Leverage our brand strength and reputation worldwide
- Expand our sales and channel coverage
- Continue to grow the core client-tier business
- Drive integrated solutions market share
- Seize the convergence opportunity
- Invest in the growth and development of Team Symantec

Symantec's Leadership Team

John Schwarz

Steve Cullen

Greg Myers

Dieter Giesbrecht

Art Courville

Gail Hamilton

Becky Ranninger

Tom Kendra

Don Frischmann

Janice Chaffin

Helping Customers Secure and Manage their IT Infrastructure

Operational Overview

John G. Schwarz

President and Chief Operating Officer

Whirlpool CORPORATION

Integrated approach wins at Whirlpool

CUSTOMER CASE STUDY

- Long-time user of Symantec AntiVirus
- Point product approach to security is impractical with limited IT resources
- 6-month review resulted in a security business plan
- Enterprise contract for AntiVirus, Host IDS, ESM, Incident Manager
- Dedicated on-site Symantec engineer
- Close relationships with Symantec development teams

WHIRLPOOL STRATEGIC TECHNOLOGY PARTNERS

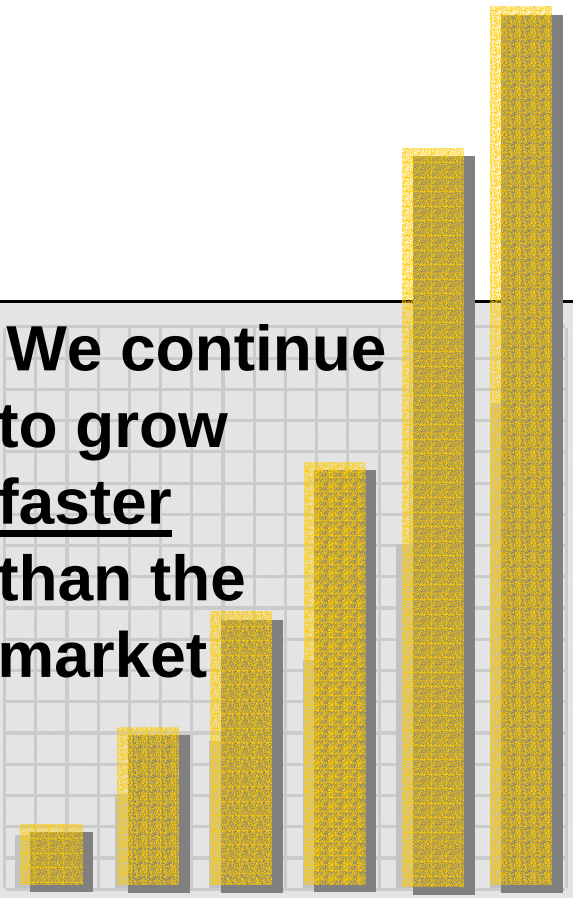
- AT&T
- Cisco
- IBM
- SAP
- **Symantec**

Helping Customers Secure and Manage the IT Infrastructure

We understand our customers and their needs

Security and Management are converging

We continue to grow faster than the market



Operational Views of Symantec

CUSTOMER

View

GEOGRAPHIC

View

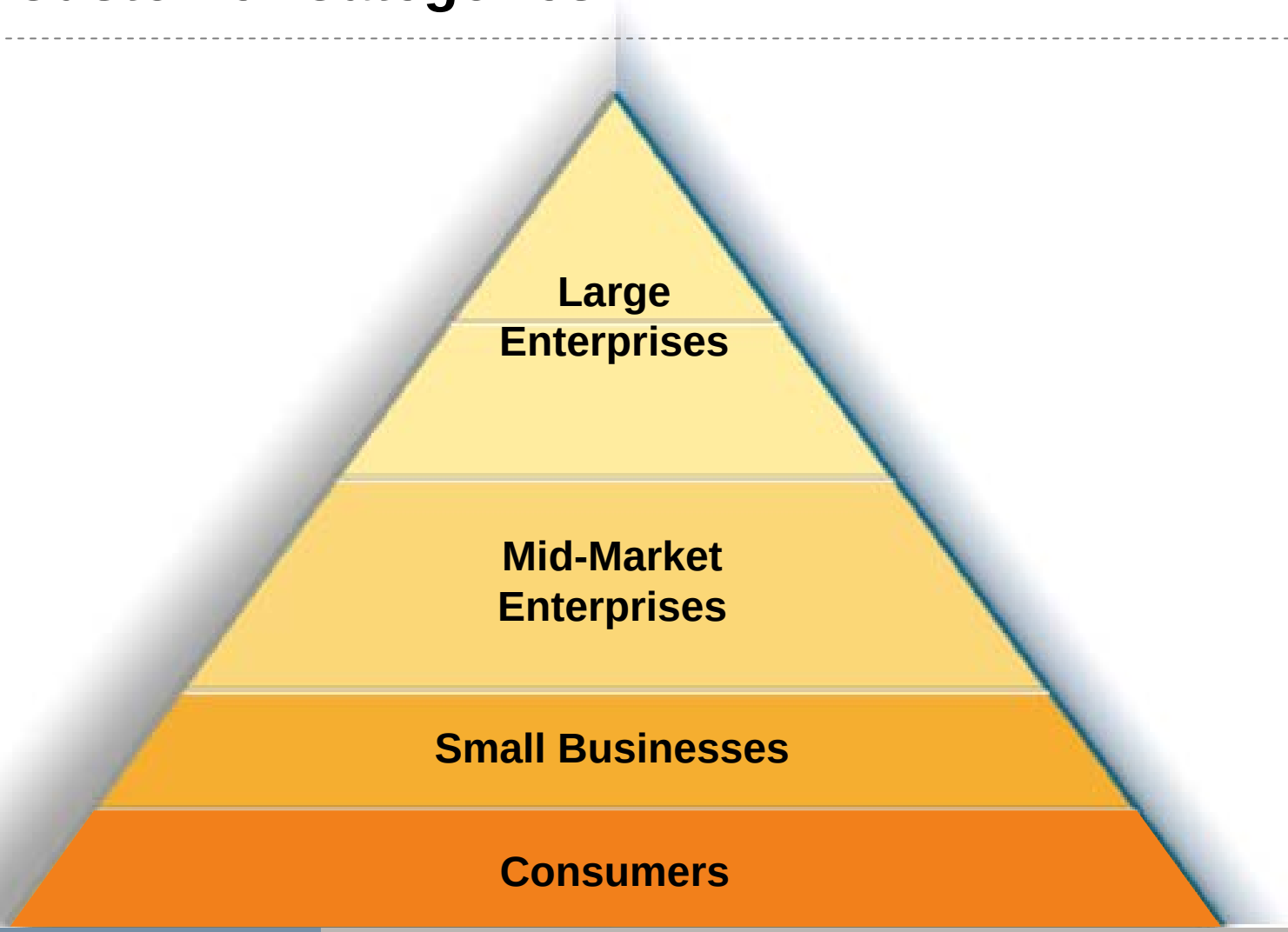
BUSINESS SEGMENT

View

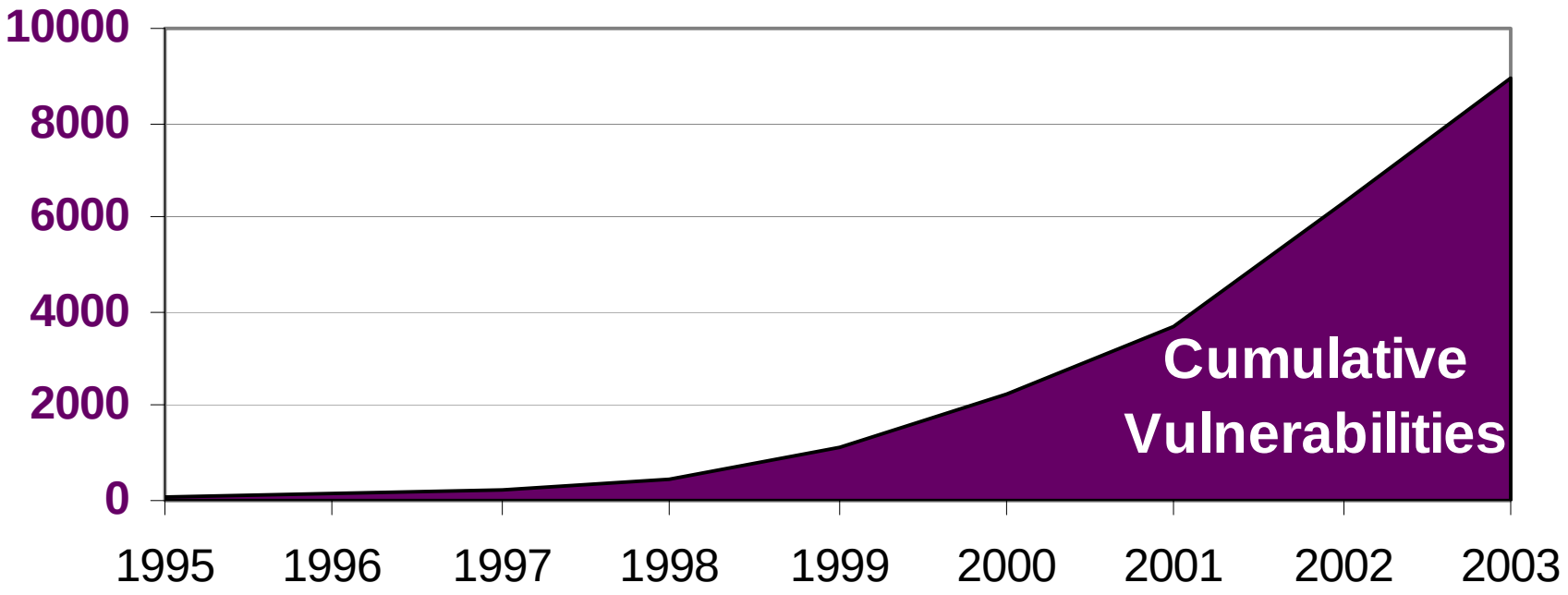
CUSTOMER

View

Customer Categories

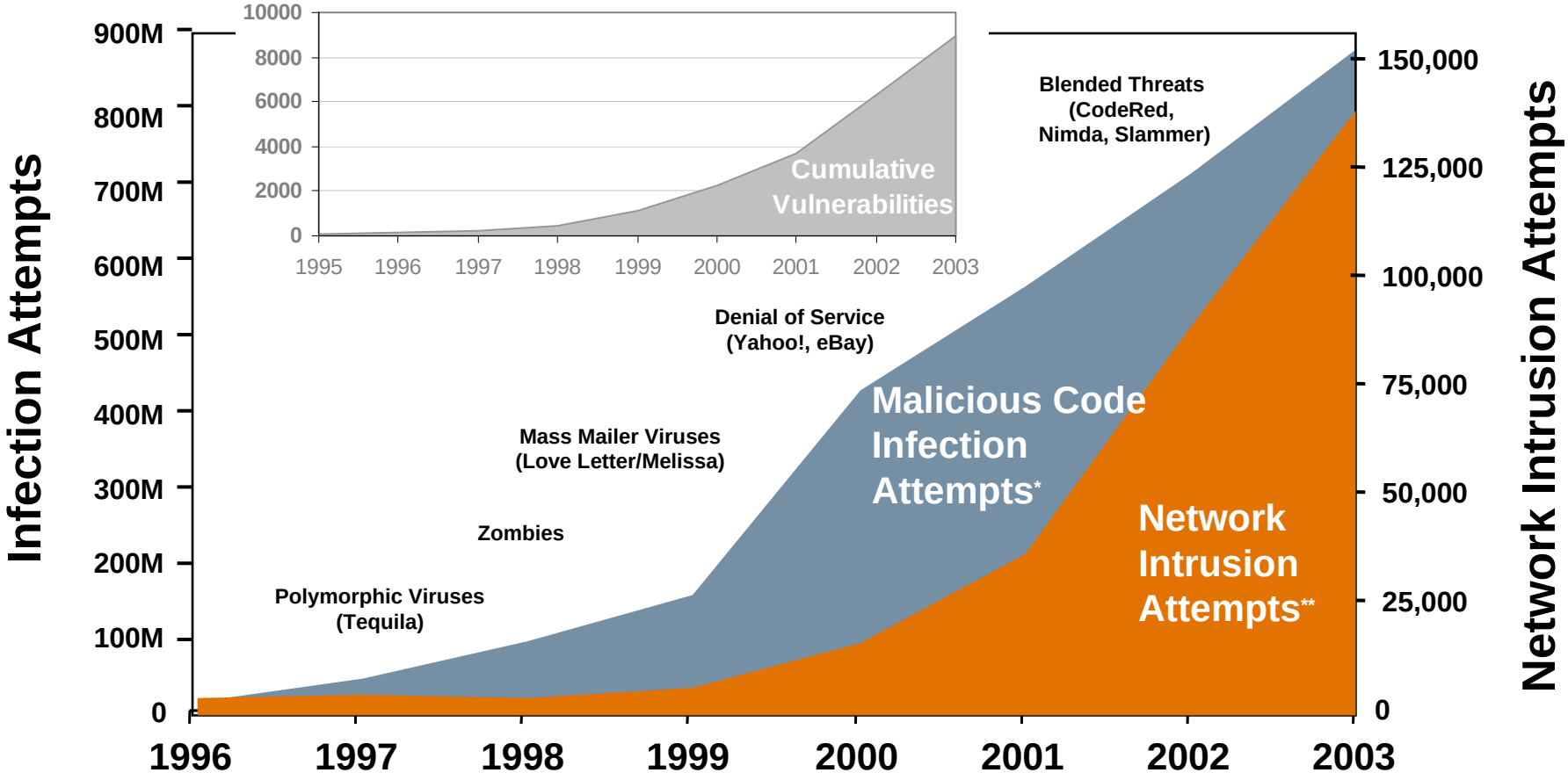


Vulnerability Trends



Analysis by Symantec Security Response using data from Symantec & ICSA

Vulnerability and Attack Trends



*Analysis by Symantec Security Response using data from Symantec, IDC & ICSA; 2003 estimated

**Source: CERT

Enterprise Business Drivers

THREATS

92 % businesses attacked in 2003
75 % acknowledge the fact
4 % measure impact … **$12.5B!!**

Source: Computer Economics 2003

TECHNOLOGY

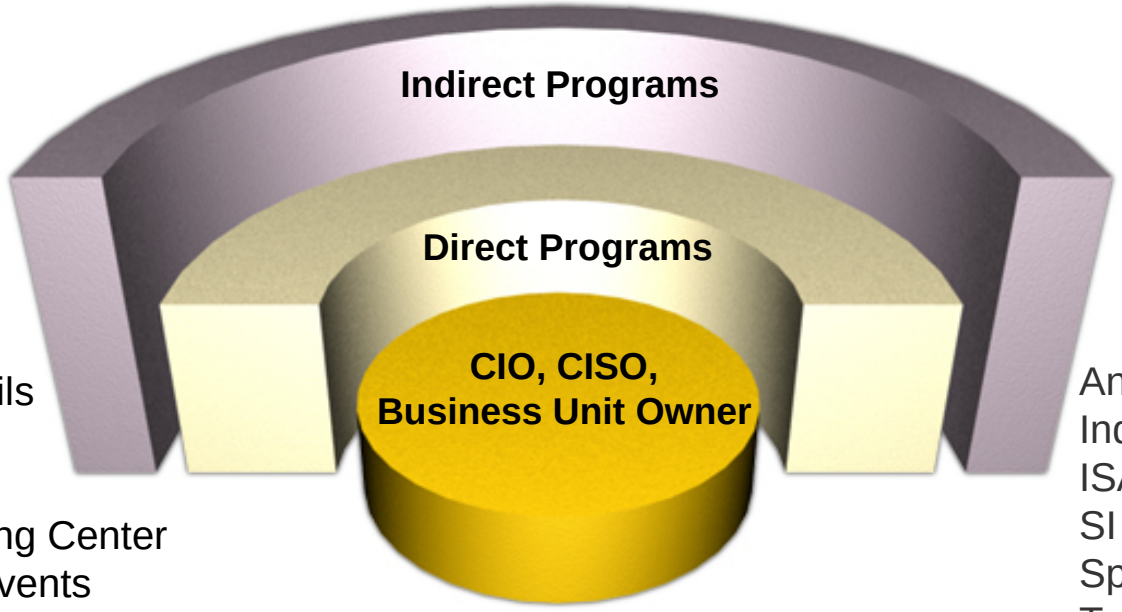
- Workforce Mobility
- Infrastructure Consolidation
- IT Complexity
- Customer Connectivity Demands

REGULATORY

40+
countries have adopted e-commerce laws

FISMA
HIPAA
GLBA
PATRIOT
Basel II
NERC
Sarbanes-Oxley
EU Data Protection
Privacy

Reaching the Enterprise Customer



Direct Programs

Advertising
Advisory Councils
CIO Dinners
Focus Groups
Executive Briefing Center
Industry/Tech Events
Mail Campaigns
Newsletters
PR Campaigns
Seminars
Industry Websites
Website

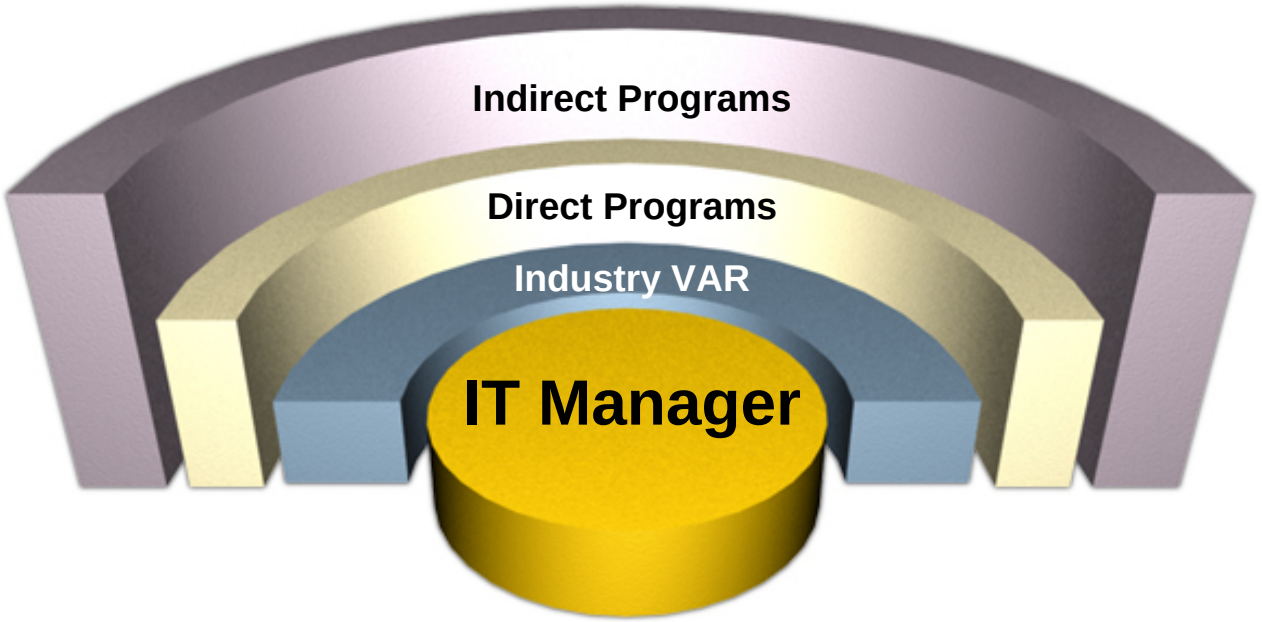
Indirect Programs

Analyst Relations
Industry Associations
ISAC Participation
SI Partnerships
Speaking Engagements
Technology Partners
Whitepapers

Buyer Behavior

Direct, Local Contact
Short Vendor List
Long-Term Relationships
Trusted Advisors

Reaching the Mid-Market Customer



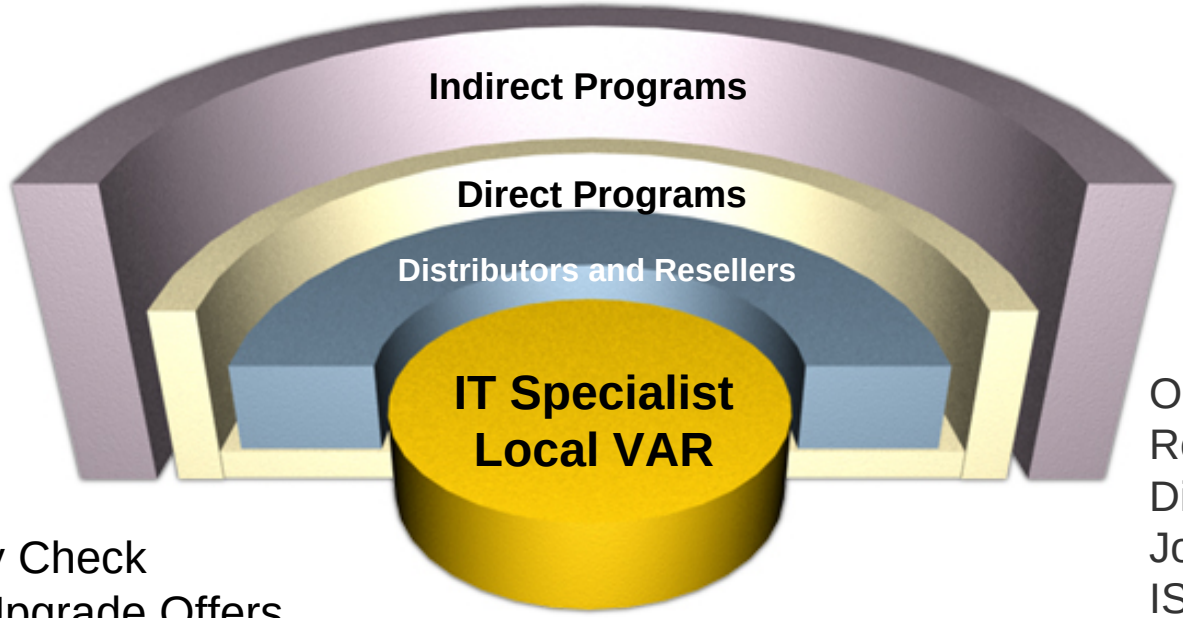
Buyer Behavior

Buy from local industry VARs
Buy turn-key solutions
Price is key

Indirect Programs

VAR certification
Joint marketing
Lead sharing
Back-end rebates
License Mgmt.
Demo Units
Replacement Programs

Reaching the Small Business Customer



Direct Programs

Advertising
Online Reach
Rebates
Online Security Check
Subscription /Upgrade Offers

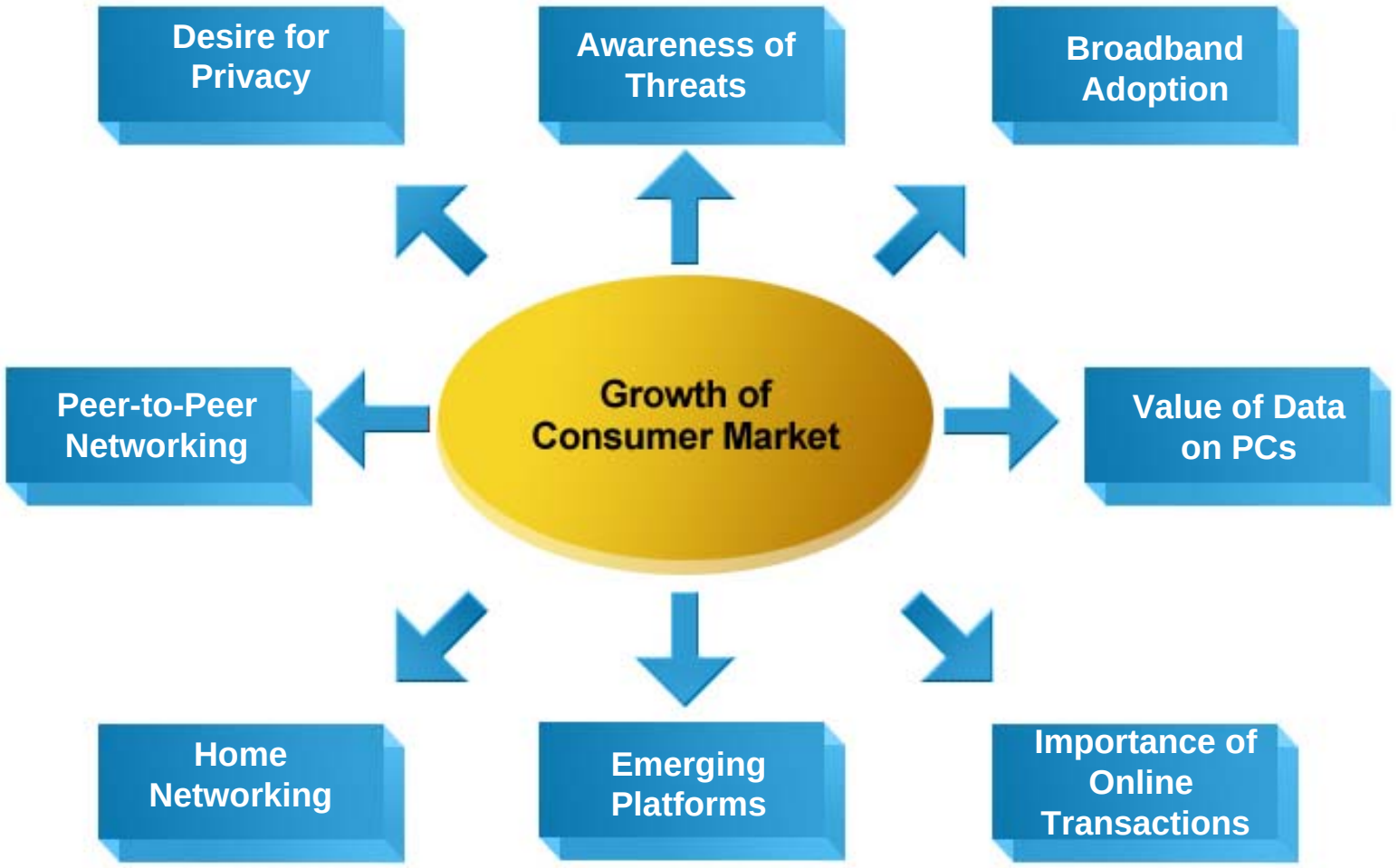
Indirect Programs

OEM Marketing
Retail Spiffs
Distributor Incentives
Joint SW promos
ISP Outreach
License Mgmt

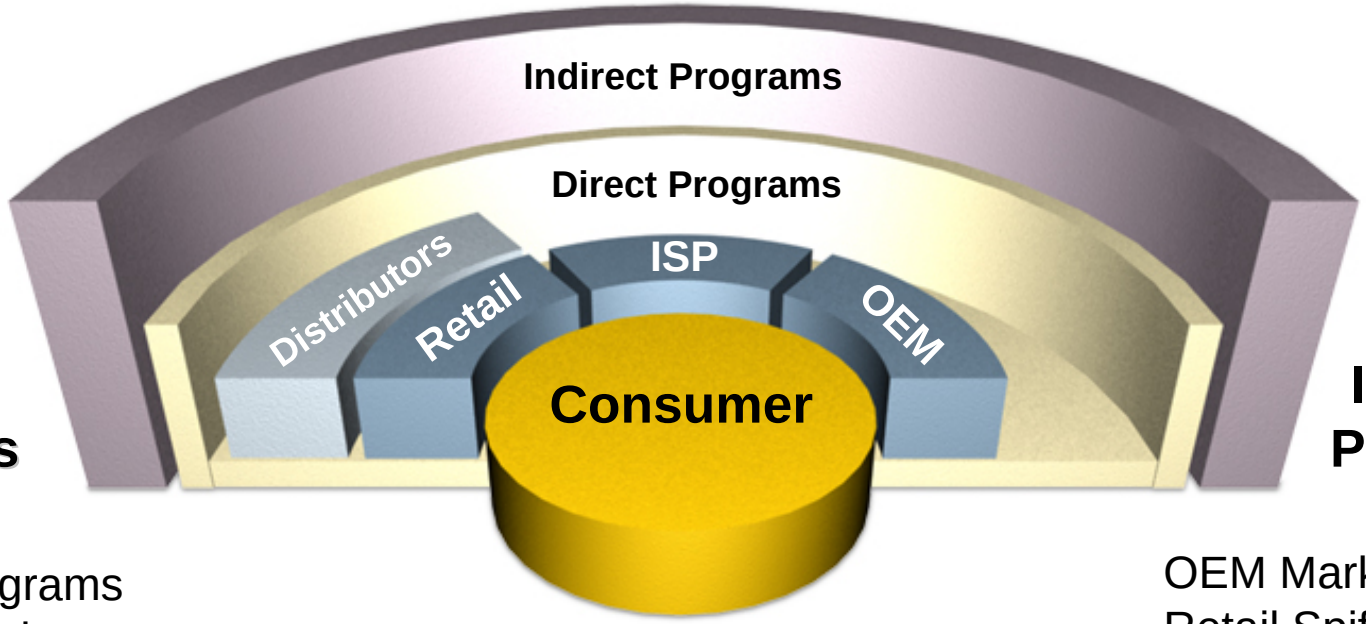
Buyer Behavior

Packaged solutions
Simplicity
Lowest price wins

Decision Drivers for Consumers



Reaching the Consumer



Direct Programs

Advertising
Loyalty Programs
Online Reach
Online Security Check
Packaging
Rebate Programs
Symantec Security Check
Subscription/Upgrade Offers

Buyer Behavior

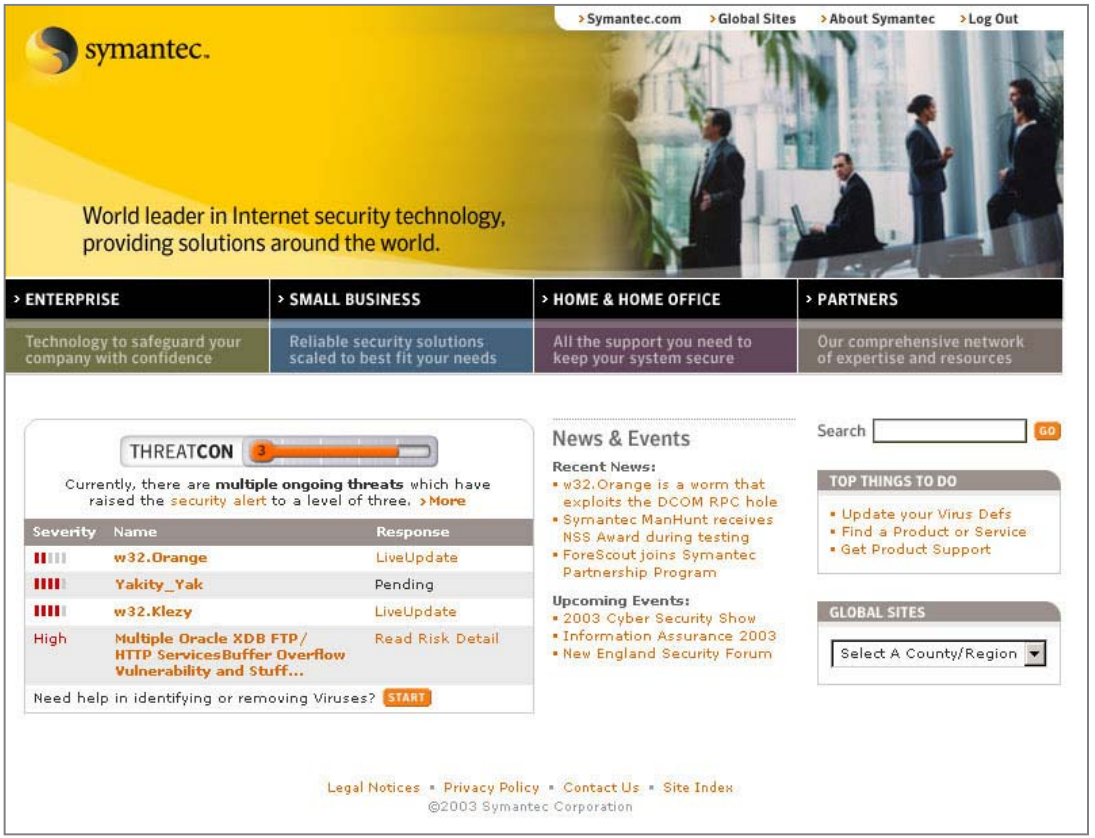
Convenient access
Easy to use products
Trusted Brand

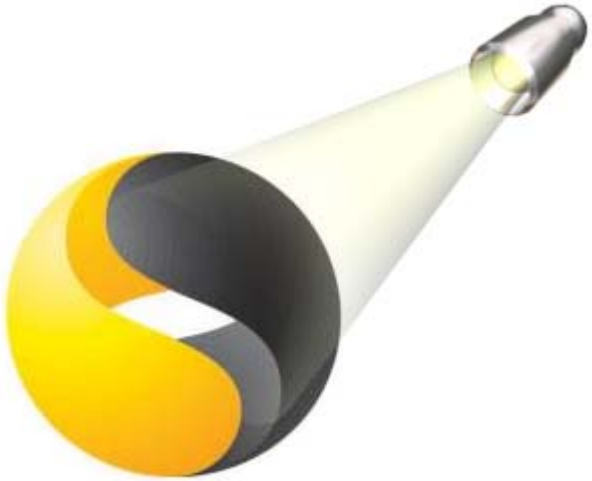
Indirect Programs

OEM Marketing
Retail Spiffs
Distributor Incentives
ISP Outreach
Joint SW Promos

Enabling Our Customer Reach

- New interactive web
- Simplify renewal and subscription processing
- Deploy licensing management
- Enhance CRM tools
- Improve Response and Support capabilities

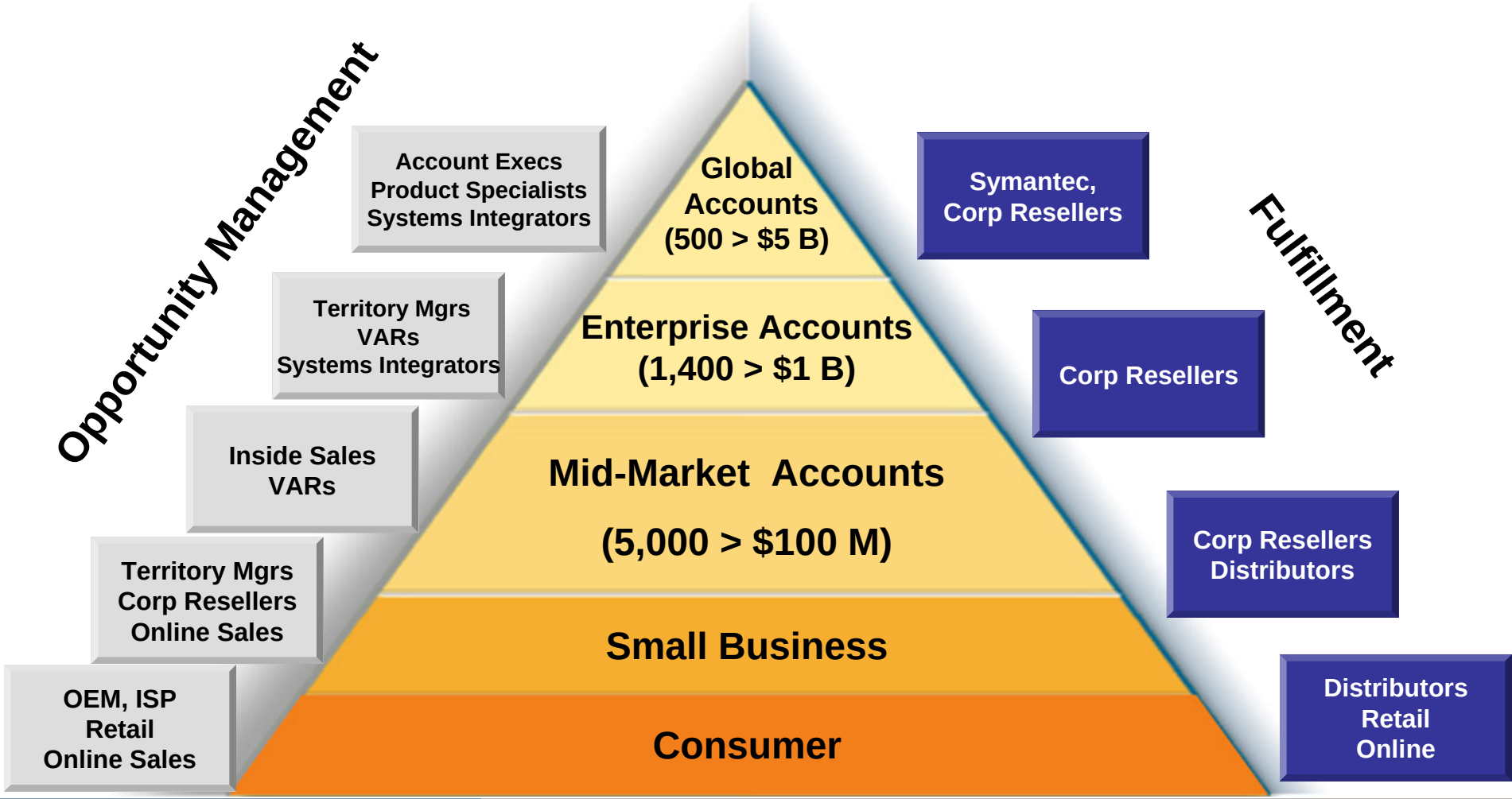




GEOGRAPHIC

View

Symantec Sales Coverage Model



Americas: United States, Canada, Latin America

WE ARE WINNING

- Pervasive presence in Retail, OEM, Online channels
- Enhanced strategic relationships with F1000 accounts
- Aggressive VAR channel development
- Diverse and broad installed customer base
- Desktop and IT operations presence
- Best-of-breed point and integrated solutions

REFERENCE CUSTOMERS

Aetna
US.Dept of Treasury ■ Proctor & Gamble
■ Charter Communications
PNC Financial ■ Whirlpool

REGIONAL RESOURCES

Field Sales	**359**
Inside Sales	**124**
Channel Sales	**100**
Sales Management	**93**
Acquired Sales Hires in FY04	**76**
New Sales Hires in FY04	**125**
Avg. New Hire Selling Experience	**6+**

CHANNELS

- Global Strategic Partners **46**
- Enterprise Partners **478**
- Software Partners **7,507**
- Managed Security Partners **112**
- Broadline Distributors **25**
- Value Added Services Distributors **7**

EMEA: Europe, Middle East, Africa

REGIONAL RESOURCES

- **Field Sales** 218
- **Inside Sales** 79
- **Channel Sales** 114
- **Sales Management** 74
- **Acquired Sales Hires in FY04** 72
- **New Sales Hires in FY04** 98

WE ARE WINNING

- Long-term local commitment
- Strong brand
- Extensive presence and reach
- F1000 focus
- Major investment in new skill base
- Localization and support

REFERENCE CUSTOMERS

Abbey-National ■ Bollore ■ Boehringer-Ingelheim ■ Belgacom T-Online ■ Unipol ■ Zurich Financial

CHANNELS

- Global Strategic Partners **10**
- Enterprise Partners **1,152**
- Software Partners **11,641**
- Managed Security Partners **46**
- Broadline Distributors **107**
- Value Added Services Distributors **65**

Japan

CHANNELS

- Global Strategic Partners **11**
- Master Distributors **4**
- Enterprise Partners **30**
- Software Partners **1,000**
- Retail Distributors **2**

REGIONAL RESOURCES

Field Sales	**30**
Inside Sales	**30**
Channel Sales	**15**
Sales Management	**14**
Acquired Sales Hires in FY04	**0**
New Sales Hires in FY04	**15**

WE ARE WINNING

- ISP and OEM leadership
- Strong distribution partnership
- Focus on Government, Finance, Utilities, Manufacturing
- Integrated solutions and appliances focus
- Localization and research presence

REFERENCE CUSTOMERS

Canon ■ Fujitsu
Hitachi ■ Mitsui
SoftBank ■ Yahoo Broadband

Asia-Pacific:
China, Southeast Asia, Australia, New Zealand

CHANNELS

- Global Strategic Partners **34**
- Enterprise Partners **464**
- Software Partners **2,049**
- OEM Partners **22**
- Broadline Distributors **14**
- Value Added Distributors **16**

REGIONAL RESOURCES

Field Sales	**64**
Inside Sales	**10**
Channel Sales	**24**
Sales Management	**18**
Acquired Sales Hires in FY04	**1**
New Sales Hires in FY04	**13**

WE ARE WINNING

- Long-term local commitment
- Localization and support
- China presence
- Local partnerships
- ISP strategy

REFERENCE CUSTOMERS

ANZ Bank ■ Bank of China ■ China Telecom
Development Bank of Singapore
Jainam Technologies ■ Samsung

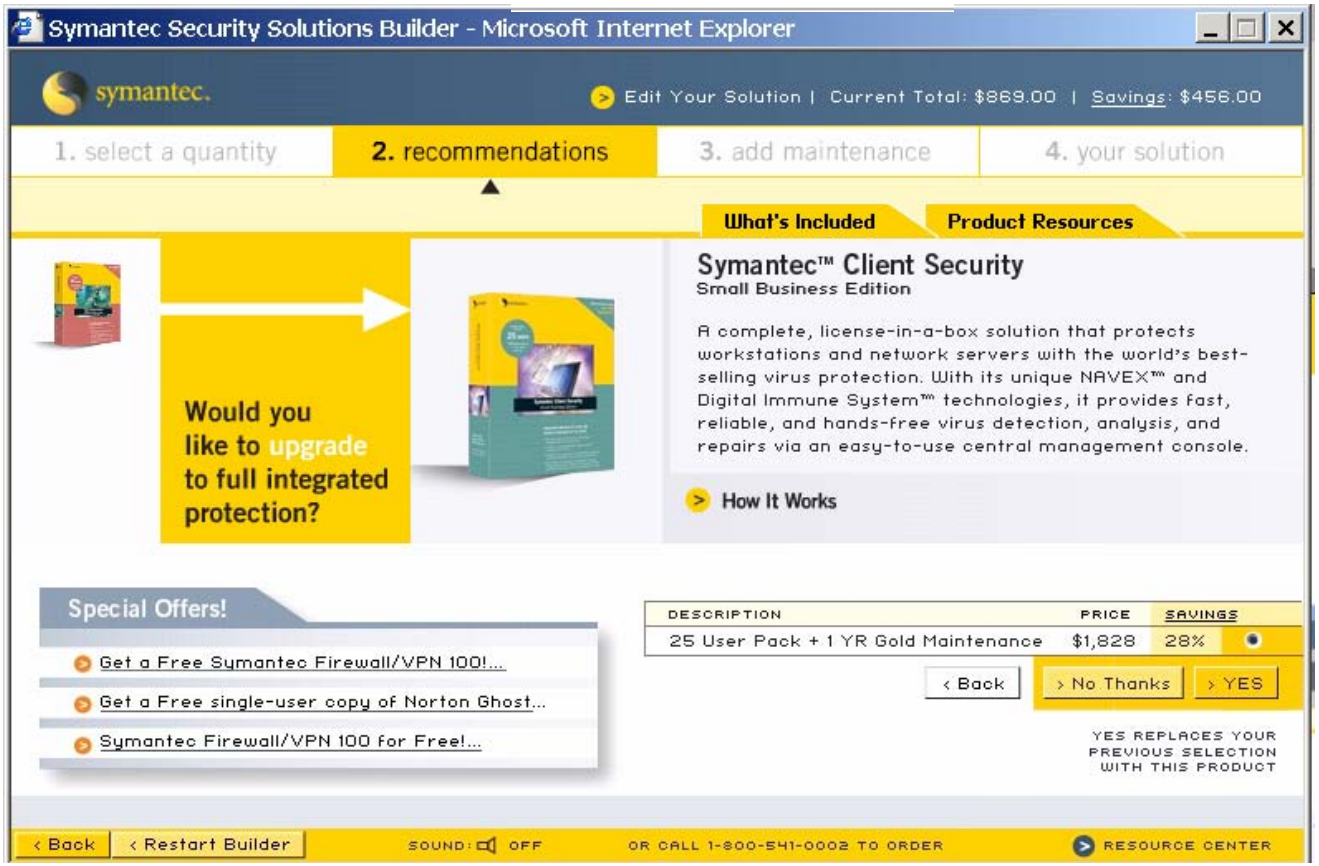
Global Online Business

symantec store

køb hos symantec

symantec store
賽門鐵克授權網路商店

시만텍 쇼핑몰



- New customers
- Maintenance renewals
- Subscription processing
- Upgrades/Cross-grades
- International currency and payment methods
- Real-time purchase opportunity during outbreaks

FY05 Sales Focus Areas

- Enable VAR channel
- Drive OEM and ISPs
- Services ‘clothing’ rate
- Integration of PowerQuest and ON Technology
- Increase inside and direct sales capacity
- Industry specialization and knowledge

BUSINESS SEGMENT

View

Solution Objectives and Strategies

Deliver a portfolio of products and services that addresses the need to secure and manage the integrity of IT assets and information

Build a pervasive technology foundation to:

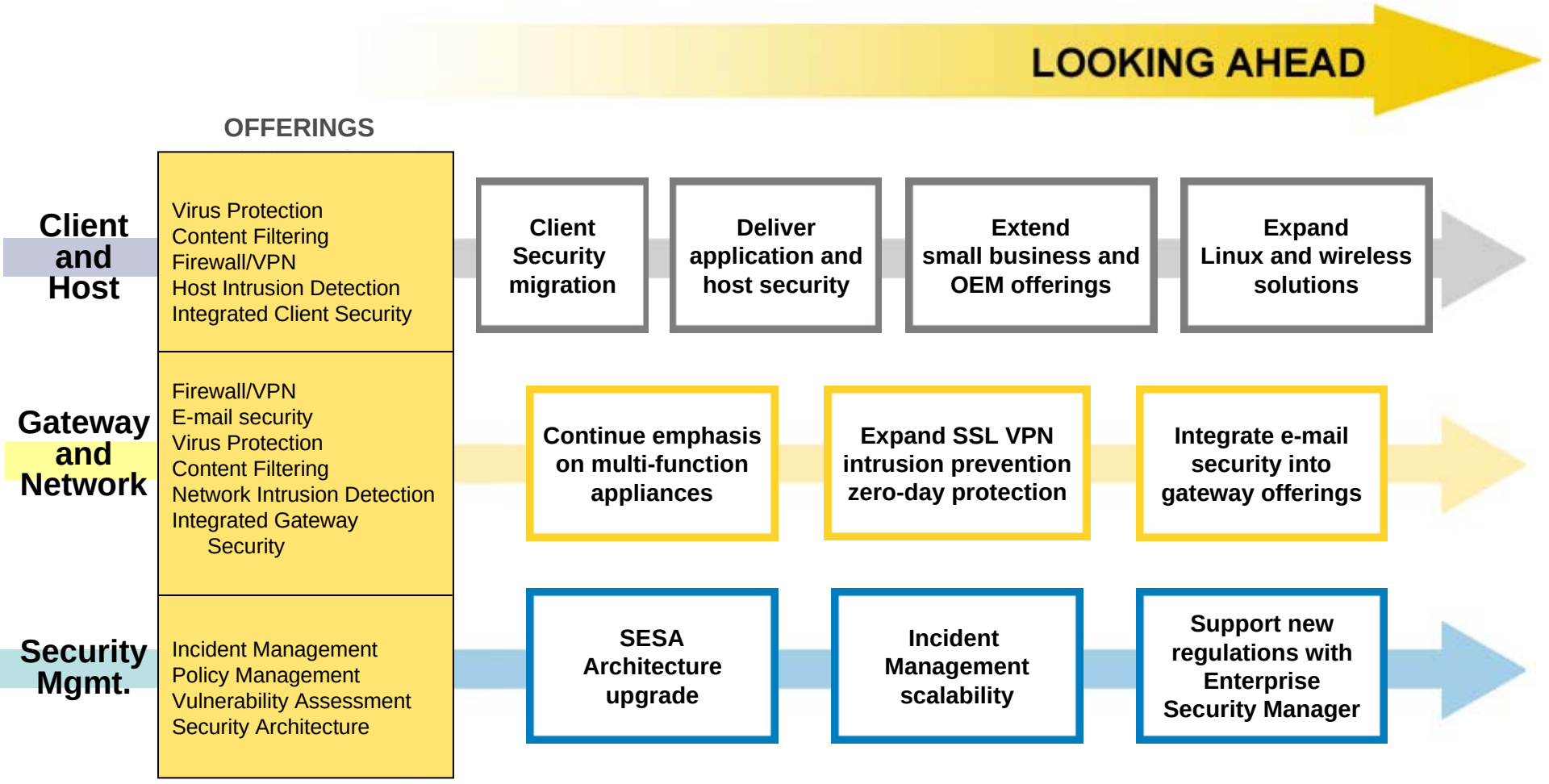
1. Secure the endpoint, application and network
2. Manage IT assets and secure infrastructure
3. Recruit technology partners to extend the Symantec architecture

Enterprise Security Strategy

Leverage our insight into network vulnerabilities and attacks to deliver innovative solutions that anticipate the security needs of our enterprise customers

- Integrate Alert and Response services into security products
- Enhance security management capabilities based on the SESA architecture
- Link security and administration solutions
- Invest in vulnerability prevention and application security solutions
- Upgrade antivirus installed base to integrated Client Security
- Develop a full line of integrated appliances
- Broaden support for Linux

Enterprise Security: Capabilities and Directions

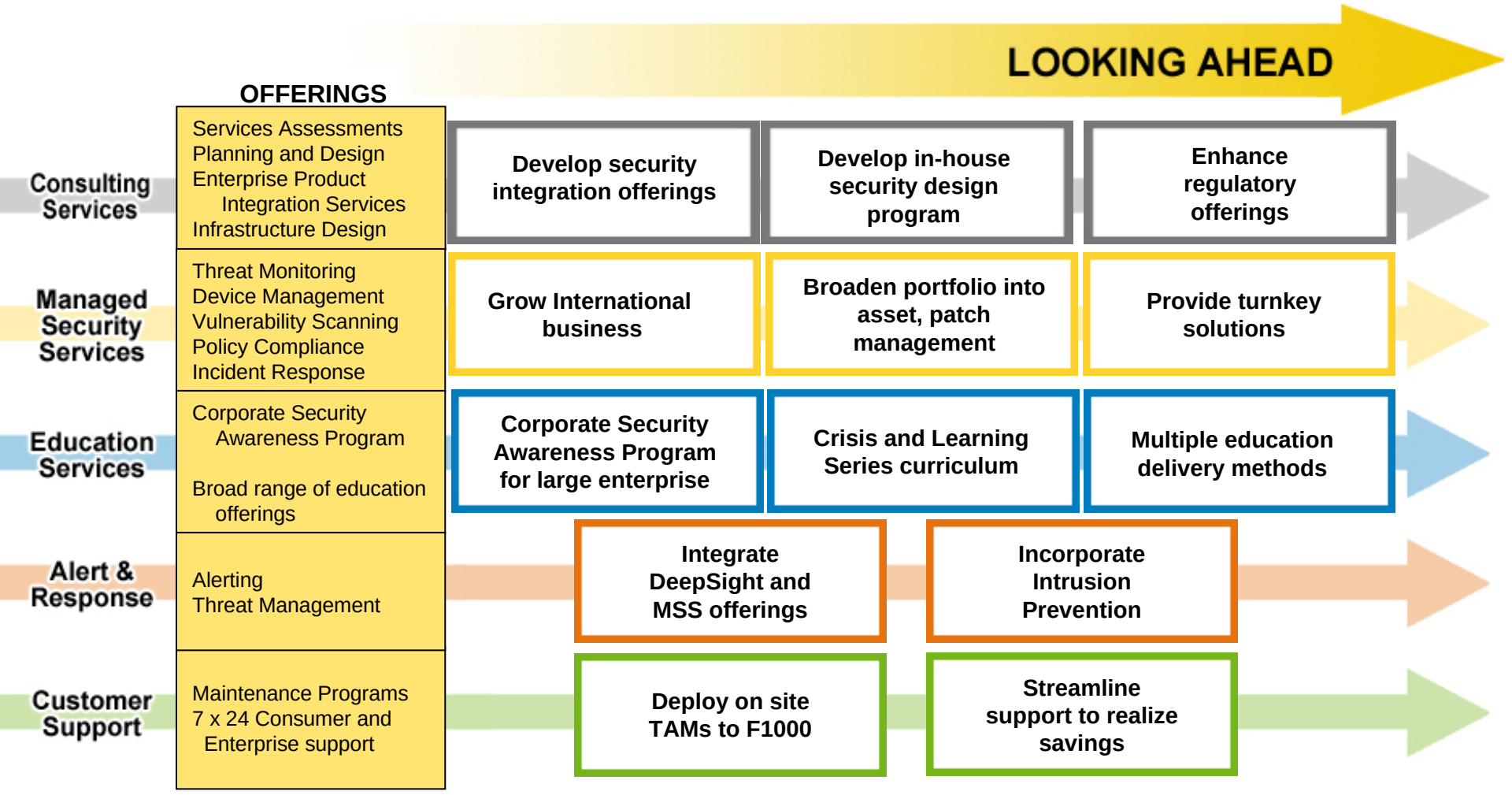


Services and Support Strategy

Broaden the set of services we deliver to strengthen our relationships with customers and leverage our local channel reach

- Integrate security and IT asset management services
- Integrate Alert, Response and MSS services
- Offer outsourced services with a product lease option
- Develop new offerings focused on value of threat alerting and prevention
- Enable our VAR and SI partners to achieve greater market coverage
- Develop custom enhancement services
- Complement partner consulting and SI offerings with Symantec content

Services and Support: Capabilities and Directions



Secure Enterprise Administration Strategy

Ensure the integrity of IT assets throughout the life-cycle by leveraging management and security capabilities

- Integrate IT asset management and security solutions to enable just-in-time ‘Secure Enterprise Administration’
- Rationalize and integrate ON Technology, PowerQuest and Symantec products
- Leverage the combined needs of network, systems and storage asset management to create an end-to-end life-cycle IT asset management solution

PowerQuest and ON Technology Integration Plan

Technical Integration

- Leverage the ON console as the foundation for common asset management platform
- Leverage imaging technology as foundation for backup and recovery product
- Leverage PCA as foundation for remote support and deployment
- Leverage security event notification as triggers for time-sensitive back-up action
- Server and client: provisioning, asset and patch management products

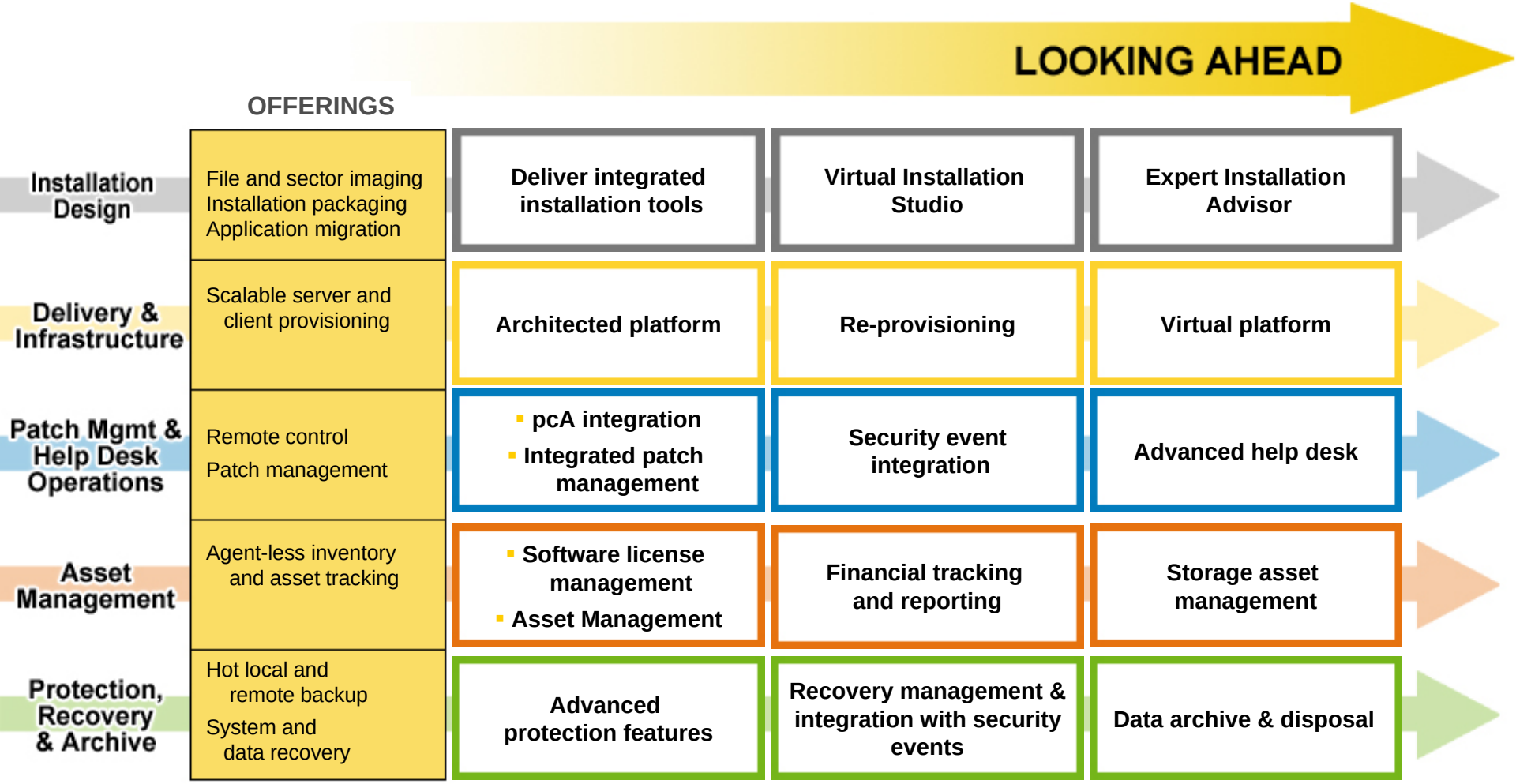
Resource Integration

- Waltham, Orem, Munich and Auckland engineering
- Specialized sales and marketing
- Shared Symantec brand and infrastructure
- Organization complete

Customer Integration

- Common contracts, licensing
- Transition to common support
- Symantec account management
- Customer data convergence

Enterprise Administration: Capabilities and Directions

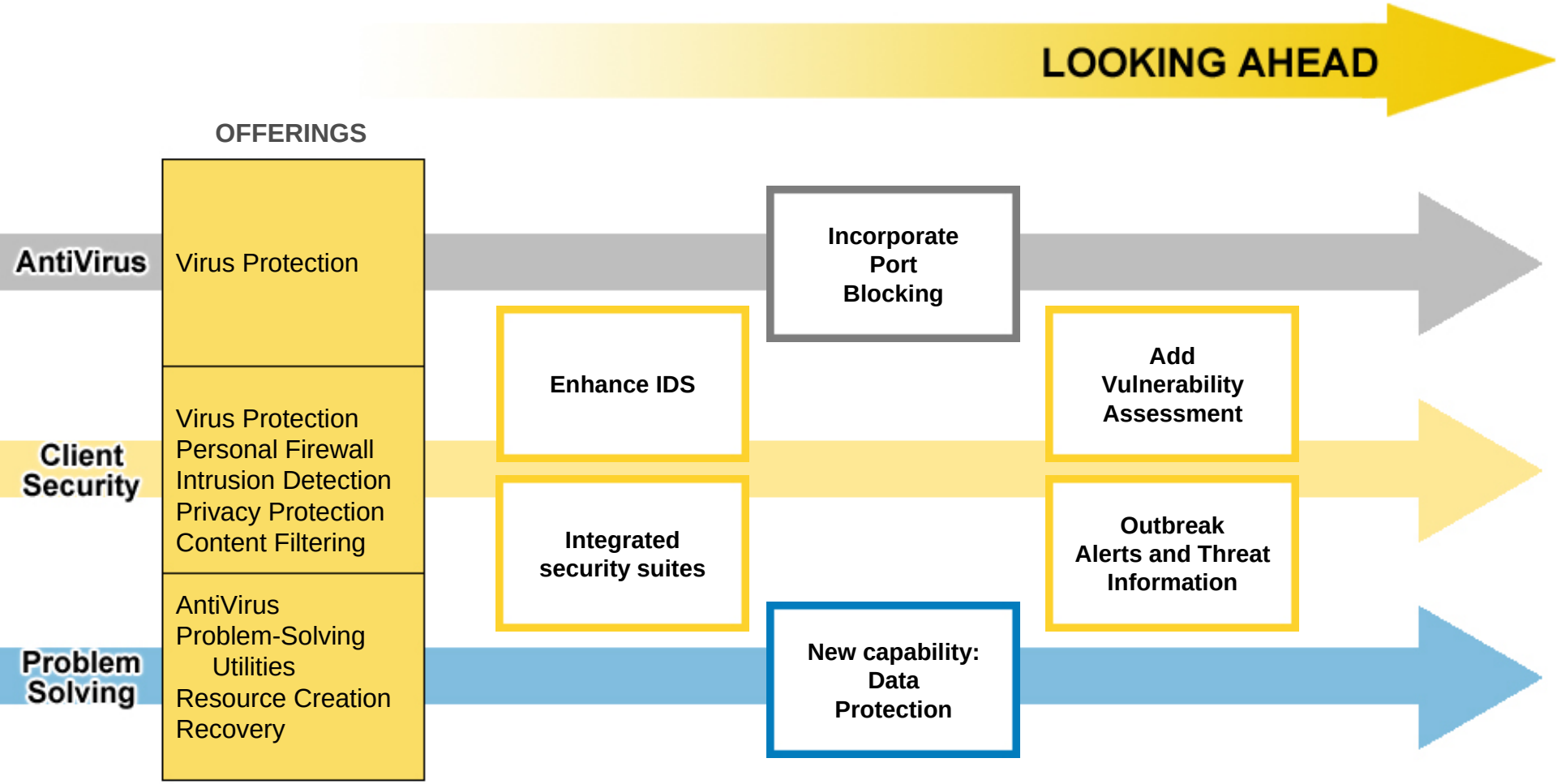


Consumer and Small Business Strategy

Extend our market leadership through focus on loyal channel relationships and timely delivery of new products

- Migrate antivirus customers to full Internet security suite
- Offer solution combinations to address advanced user needs
- Deliver superb content delivery and integrated offerings for all end user devices
- Extend Norton brand leadership with pervasive channel presence
- Enhance SOHO packages
- Focus on client loyalty and retention
- Continued emphasis on ISP, OEM support and release alignment
- Develop managed offerings

Consumer and Small Business: Capabilities and Directions



abbey

"We are able to look at our immediate security threats, on desktops and servers, through one window on one console. It will alert us to viruses, but more importantly, tell us where we are vulnerable."

– Abbey's John Ratcliffe

CUSTOMER CASE STUDY

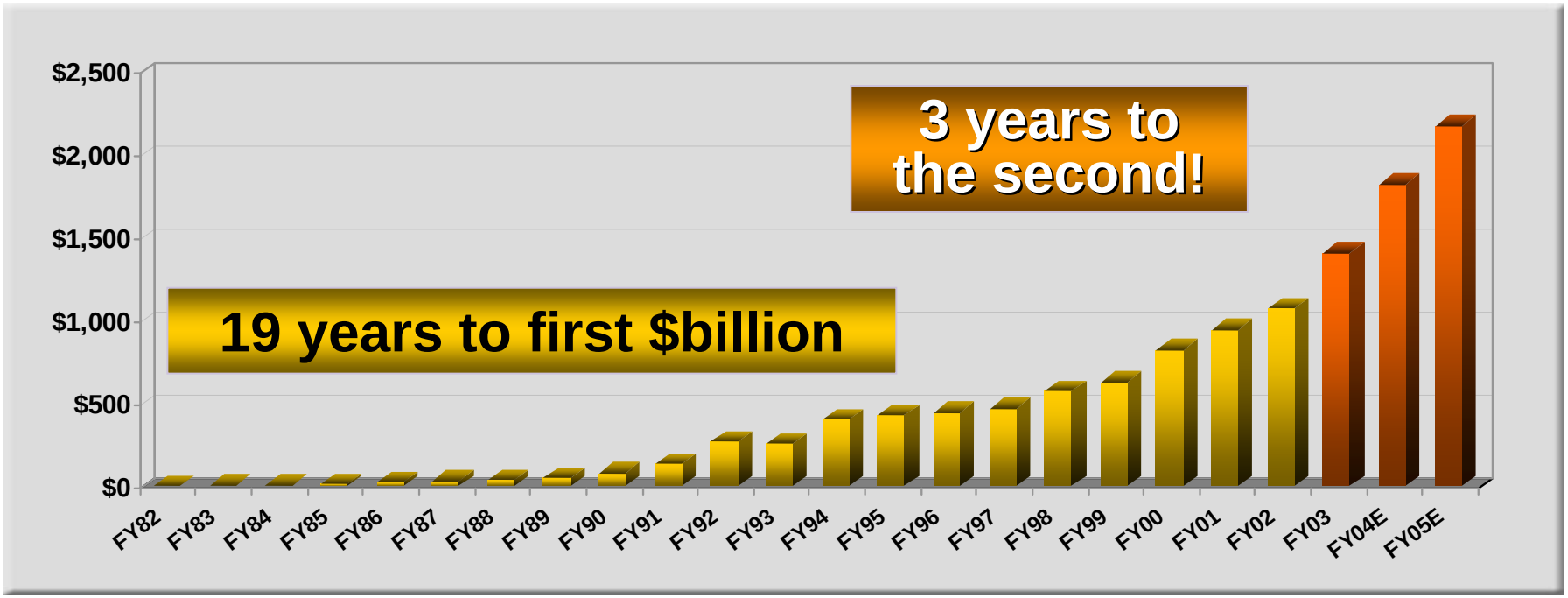
- Leading UK financial services provider with nearly 750 branches
- Focus on reducing operational risk and timely response to intrusions
- Symantec protecting 35,000 desktops with integrated antivirus, firewall and intrusion detection
- Recently announced three-year global enterprise license agreement
- Considering centralized patch management, firewall and user management
- Deployment by VAR Ultima Business Systems in Reading

DEPLOYED PRODUCTS

- **Symantec AntiVirus**
- **Symantec Host Intrusion Detection System**
- **Symantec Client Security**
- **Symantec Incident Manager**
- **Symantec DeepSight**
- **Symantec Enterprise Security Manager**

We Are Winning!

We understand our customers and their needs	Security and Management are converging	We will continue to grow faster than the market



15 Minute Break

Financial Overview

Greg Myers

Senior Vice President Finance and CFO

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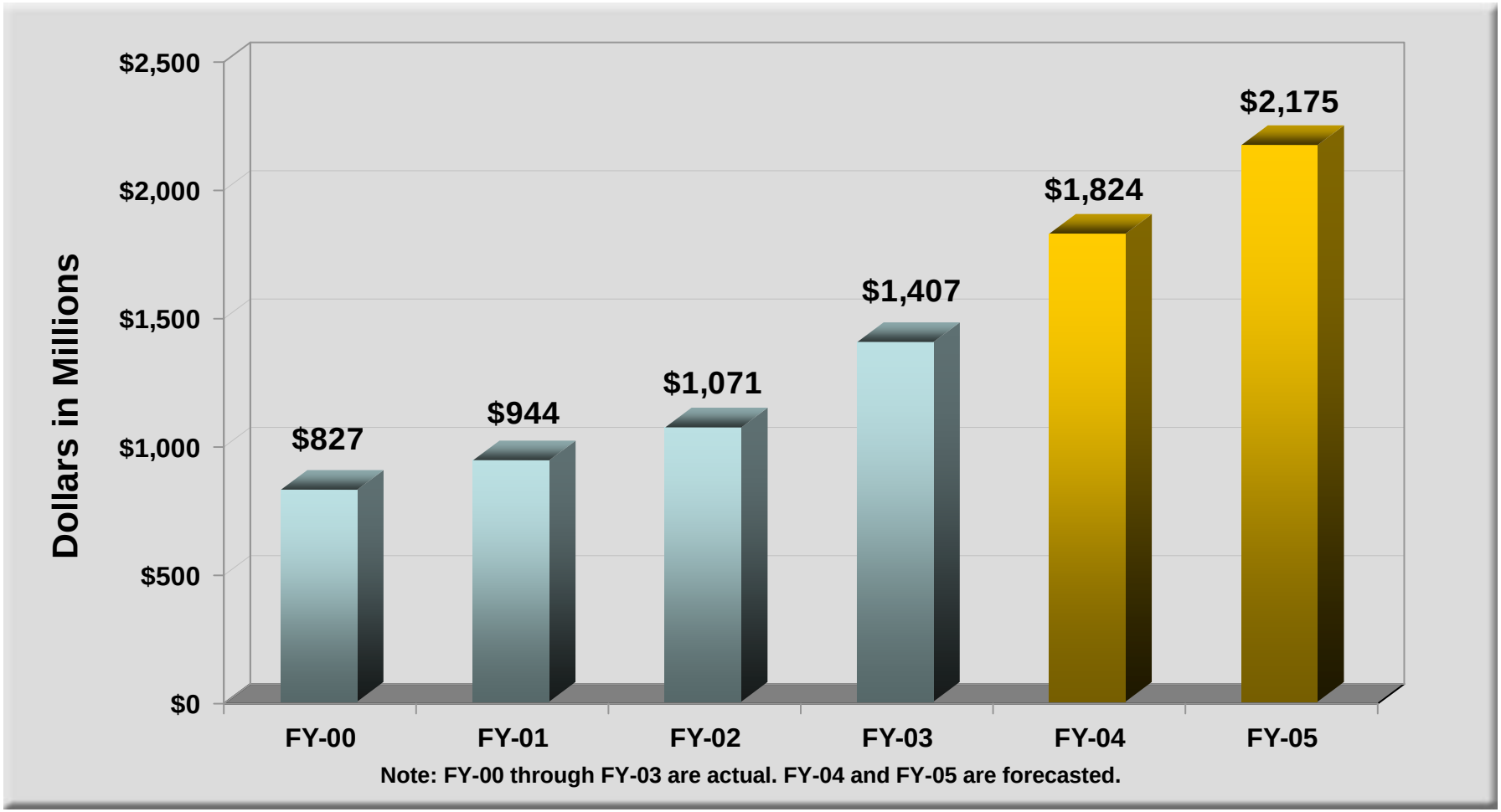
Guidance

- FY 2004
  - Mar-04 quarter outlook of $500 million to $520 million
    - GAAP EPS of 30¢ and non-GAAP EPS of 32¢ at the mid-point of the revenue range
  - FY-04 revenue forecast of $1,824 million, at the mid-point of the Mar-04 quarter revenue estimate
    - GAAP EPS of $1.04 and non-GAAP EPS of $1.14 at the mid-point of revenue range
- FY 2005
  - Revenue estimate of $2,150 million to $2,200 million. Revenue growth of 19% at the mid-point of the forecast.
    - GAAP EPS of $1.23 and non-GAAP EPS of $1.31at the mid-point of the FY-05 revenue guidance

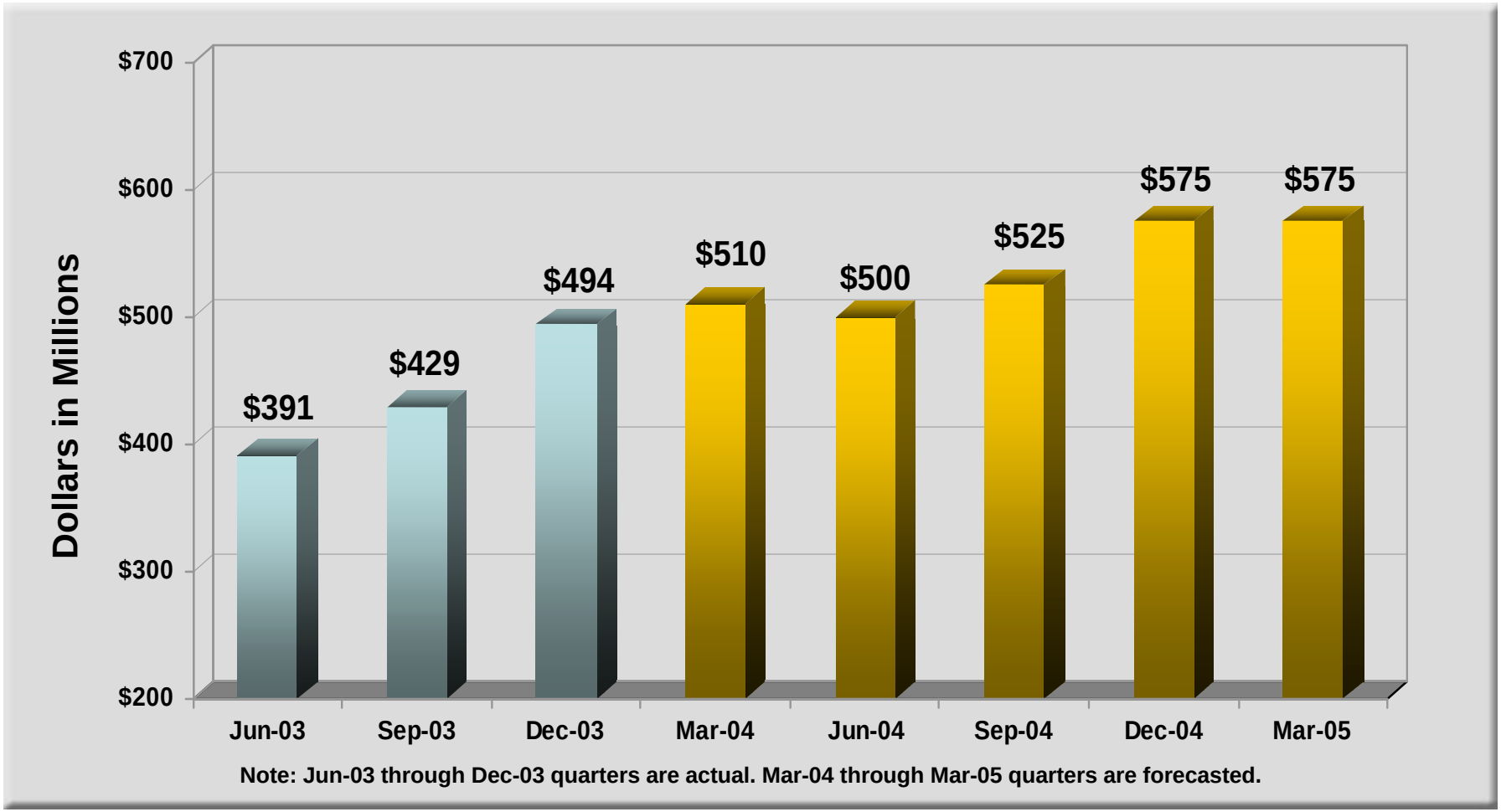
Revenue

FY-04 and FY-05 are Forecasted at the Mid-point of Guidance Range



Revenue by Quarter

Mar-04 thru Mar-05 are Forecasted at the Mid-point of Guidance Range



Note: Jun-03 through Dec-03 quarters are actual. Mar-04 through Mar-05 quarters are forecasted.

Revenue by Segment

Segment	Growth	Mix
	FY-05	FY-05
Enterprise Security	19%	40%
Consumer Products	15%	44%
Enterprise Administration	37%	14%
Services	21%	2%

Note: FY-05 data is forecasted.

Non-GAAP Gross Margin

- Gross Margin
  - Non-GAAP gross margins is forecasted at 84.7%
- Revenue mix is a key variable for gross margin
- Major lines of business (excluding the amortization of developed software) are forecasted as follows:
  - Enterprise Security 88%
  - Consumer Products 82%
  - Enterprise Administration 96%
  - Services 31%

Non-GAAP Operating Expense

($ in millions)	FY-02	FY-03	FY-04	FY-05
Operating Expenses	$648	$797	$989	$1,160
% of Revenue	61%	57%	54%	53%

- Expect Research & Development to account for about 13% of revenue
- Sales & Marketing to account for about 35% of revenue
- General & Administrative expenses to account for about 5% of revenue

Note: FY-02 and FY-03 are actual. FY-04 and FY-05 are forecasted.

Non-GAAP Operating Income

Fiscal Year	Dollars	Operating Margin
FY-02	$258 million	24%
FY-03	$390 million	28%
FY-04	$556 million	31%
FY-05	$682 million	32%

Note: FY-02 and FY-03 are actual. FY-04 and FY-05 are forecasted.

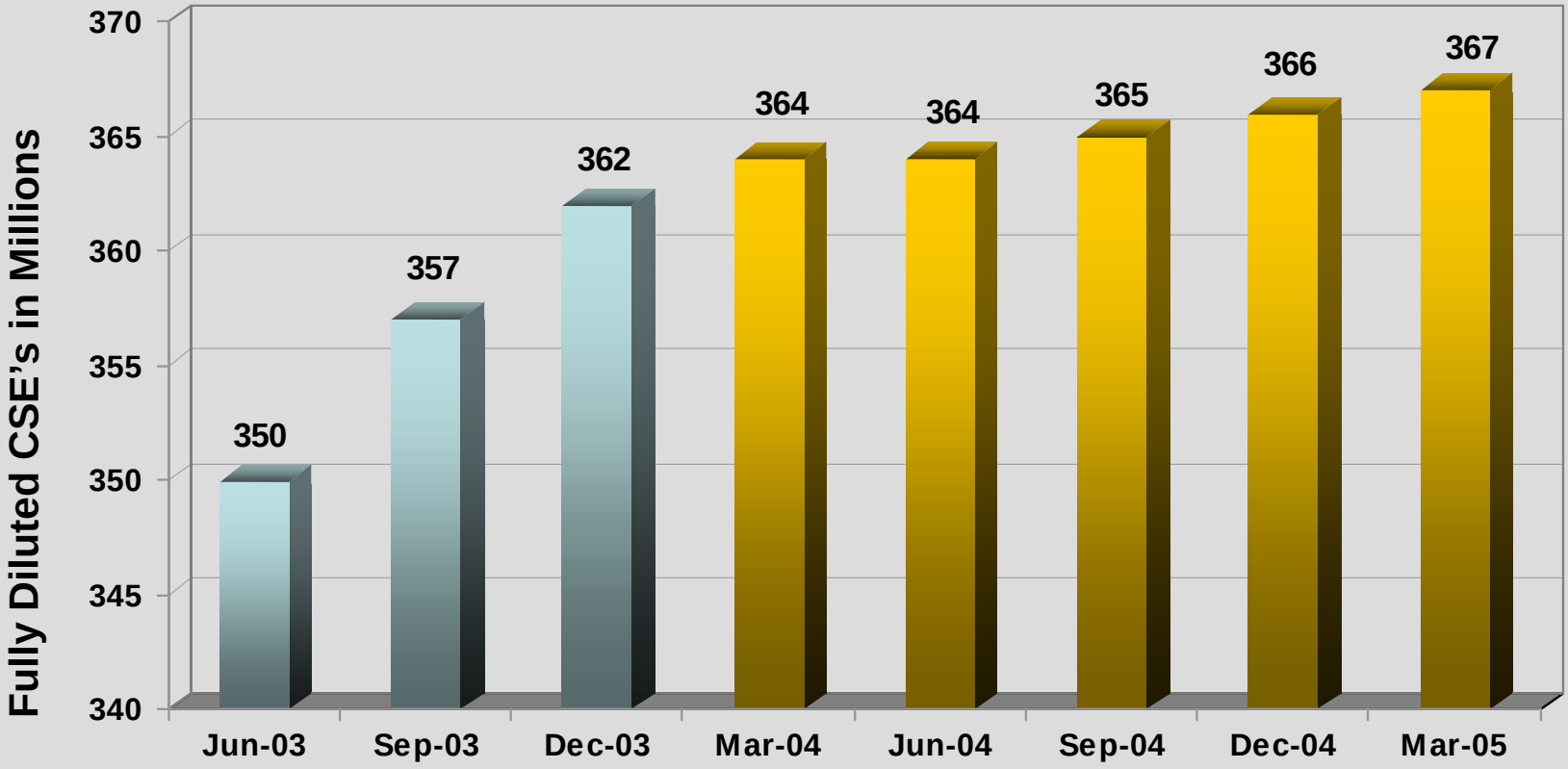
Other P&L Items

- Other Income
  - Interest income assumes 1.5% on average cash balances
  - FY-05 CV debt interest cost $5.3M/Qtr for June and September
    - Guidance assumes we call the debt:
      - Callable on November 5, 2004
      - Cost is ¾% or $4.5 million
      - Write-down the NBV of the financing costs, about $6 million
  - Act! Royalty payments concluded in the Dec-03 quarter
    - Received $9.8 million in FY-04 versus $0 during FY-05
- Stock Buy Back
  - BOD expanded our current repurchase program
    - $187 million left on the original $700 million plan
    - 10b5-1 plan allows for the purchase of $60 million per quarter through the Dec-04 quarter, or for a total of $240 million during CY-04

Other P&L Items continued

- Tax Rate
  - Book rate expected to remain at 32%
- Currency
  - Guidance assumes 1.24 dollars to the Euro across the forecast

Common Stock Equivalents



CSE estimate assumes the implementation of our 10b5-1 re-purchase program.

Note: Jun-03 through Dec-03 quarters are actual. Mar-04 through Mar-05 quarters are forecasted.

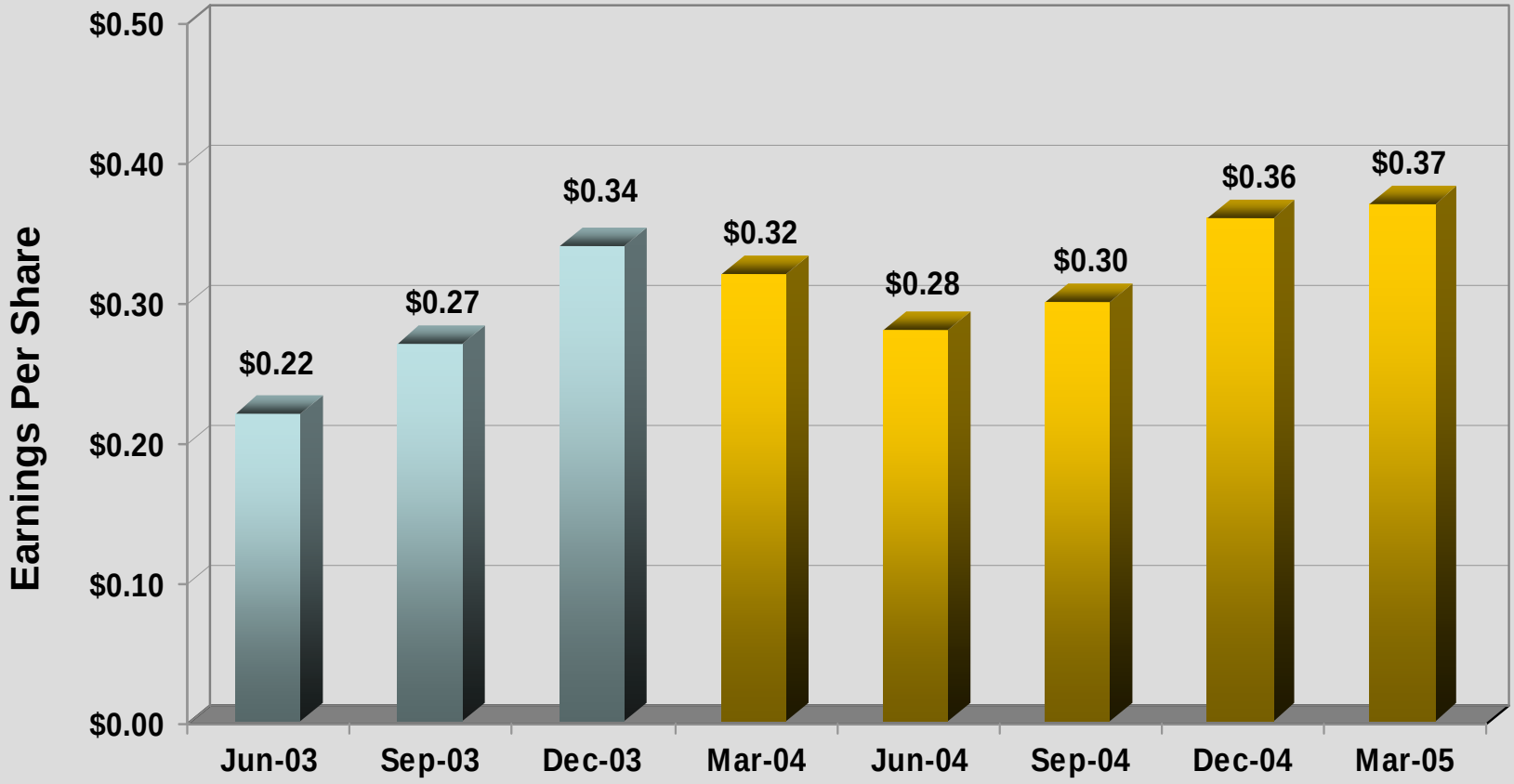
Fully Diluted Earnings Per Share

Fiscal Year	Non-GAAP EPS	GAAP EPS
FY-02	$0.65	<$0.10>
FY-03	$0.86	$0.77
FY-04	$1.14	$1.04
FY-05	$1.31	$1.23

Note: FY-02 and FY-03 are actual. FY-04 and FY-05 are forecasted.

Non-GAAP Earnings Per Share by Quarter

Mar-04 thru Mar-05 are Forecasted at the Mid-point of Guidance Range



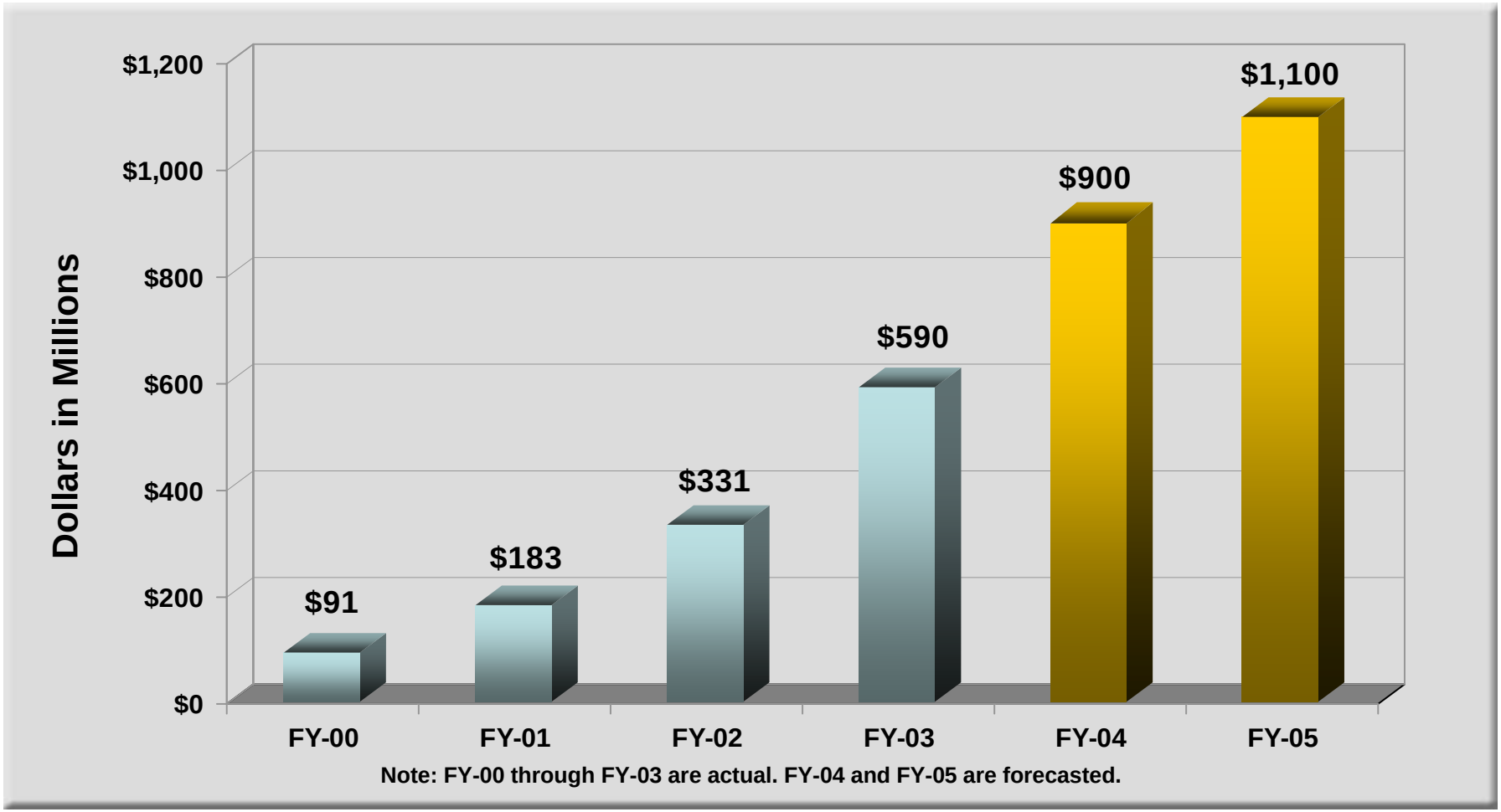
Note: Jun-03 through Dec-03 quarters are actual. Mar-04 through Mar-05 quarters are forecasted.

Balance Sheet

- Expect free cash flows from operating activities for FY-05 to be in the range of $850 million to $900 million
  - Seasonally the December and March quarters are our largest cash generation periods
- Expect DSO's in the range of 35 to 50 days

Deferred Revenue

FY-04 and FY-05 are Forecasted at the Mid-point of Guidance Range



Summary

- Revenue
  - FY-04 revenues estimated at $1,824 million, up 30%
  - FY-05 forecasted revenues of $2,150 million to $2,200 million
    - Represents 19% growth at the mid-point
    - This equates to a $350 million increase over FY-04
- Non-GAAP Earnings Per Share
  - FY-04 earnings are forecasted at $1.14 per share at $1,824 million in revenue
  - FY-05 earnings are estimated at $1.31 per share at the mid-point of the revenue. This is 15% growth
- NOW … It is all about executing our plans!

Question & Answer Session

Closing Remarks

John W. Thompson

Chairman and Chief Executive Officer

Thank You

Exhibit: Reconciliation of non-GAAP to GAAP: Quarter View

Reconciliation of Non-GAAP to GAAP

	Quarterly View							
(in millions)	**Jun-03**	**Sep-03**	**Dec-03**	**Mar-04**	**Jun-04**	**Sep-04**	**Dec-04**	**Mar-05**
Non-GAAP gross margin	$ 332	$ 364	$ 417	$ 432	$ 423	$ 445	$ 487	$ 487
Cost-of-revenues: Amortization of intangibles from acquisitions	(9)	(10)	(10)	(10)	(11)	(11)	(11)	(11)
GAAP gross margin	$ 323	$ 354	$ 407	$ 422	$ 412	$ 434	$ 476	$ 476
Non-GAAP Operating Expenses	$ 229	$ 236	$ 251	$ 273	$ 280	$ 290	$ 292	$ 298
Operting Expenses: Amortization of intangibles from acquisitions, IPR&D, Restructuring costs, and Patent Settlements	15	2	2	2	2	2	2	2
GAAP operating expenses	$ 244	$ 238	$ 253	$ 275	$ 282	$ 292	$ 294	$ 300
Non-GAAP net income	$ 74	$ 91	$ 120	$ 111	$ 99	$ 108	$ 130	$ 134
Cost-of-revenues	(9)	(10)	(10)	(10)	(11)	(11)	(11)	(11)
Operating expenses	(15)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Income tax benefit	8	4	5	5	5	5	5	5
GAAP net income	$ 58	$ 83	$ 113	$ 104	$ 91	$ 100	$ 122	$ 126
Net income per share diluted (Whole dollars) (1)	$ 0.18	$ 0.24	$ 0.32	$ 0.30	$ 0.26	$ 0.28	$ 0.34	$ 0.35
CSE's used to compute net income per share diluted	350.0	356.8	362.2	363.7	364.4	365.2	365.5	366.5

(1) Fully diuted EPS is calculated using the as if converted method.

Exhibit: Reconciliation of non-GAAP to GAAP: Annual View

Reconciliation of Non-GAAP to GAAP

(in millions)	Fiscal Year FY-02	FY-03	FY-04	FY-05
Non-GAAP gross margin	$ 906	$ 1,186	$ 1,545	$ 1,842
Cost-of-revenues: Amortization of intangibles from acquisitions	(30)	(30)	$ (39)	(44)
GAAP gross margin	$ 876	$ 1,156	$ 1,506	$ 1,798
Non-GAAP Operating Expenses	$ 648	$ 797	$ 989	$ 1,160
Operting Expenses: Amortization of intangibles from acquisitions, IPR&D, Restructuring costs, and Patent Settlements	219	18	$ 21	8
GAAP operating expenses	$ 867	$ 815	$ 1,010	$ 1,168
Non-GAAP net income	$ 200	$ 280	$ 396	$ 471
Cost-of-revenues	(30)	(30)	$ (39)	(44)
Operating expenses	(219)	(19)	$ (21)	(8)
Income tax benefit	21	17	$ 22	20
GAAP net income	$ (28)	$ 248	$ 358	$ 439
Net income per share diluted (Whole dollars) (1)	$ (0.10)	$ 0.77	$ 1.04	$ 1.23
CSE's used to compute net income per share diluted	287.2	341.4	359.0	365.5

(1) Fully diuted EPS is calculated using the as if converted method.