



symantec™

VERITAS™



# Merger Announcement





## Forward-Looking Statement

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- ▶ This presentation contains forward-looking statements, including forecasts of market growth, future revenue, benefits of the proposed merger, and expectations that the merger will be accretive to Symantec's results and other matters that involve known and unknown risks, uncertainties and other factors that may cause 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: difficulties encountered in integrating merged businesses; uncertainties as to the timing of the merger; approval of the transaction by the stockholders of the companies; the satisfaction of closing conditions to the transaction, including the receipt of regulatory approvals; whether certain market segments grow as anticipated; the competitive environment in the software industry and competitive responses to the proposed merger; and whether the companies can successfully develop new products and the degree to which these gain market acceptance.
- ▶ Actual results may differ materially from those contained in the forward-looking statements in this presentation. Additional information concerning these and other risk factors is contained in the Risk Factors sections of Symantec's and VERITAS' most recently filed Forms 10-K and 10-Q. Symantec and VERITAS undertake no obligation and do not intend to update these forward-looking statements to reflect events or circumstances occurring after this announcement.



## Where to Find Additional Information

- ▶ Symantec Corporation and VERITAS Software Corporation intend to file a registration statement on Form S-4 containing a joint proxy statement/prospectus in connection with the merger transaction involving Symantec and VERITAS. **Investors and security holders are urged to read this filing when it becomes available because it will contain important information about the merger transaction.** Investors and security holders may obtain free copies of these documents (when they are available) and other documents filed with the SEC at the SEC's web site at [www.sec.gov](http://www.sec.gov). In addition, investors and security holders may obtain free copies of the documents filed with the SEC by Symantec by contacting Symantec Investor Relations at 408-517-8239. Investors and security holders may obtain free copies of the documents filed with the SEC by VERITAS by contacting VERITAS Investor Relations at 650-527-4523.
- ▶ Symantec, VERITAS and their directors and executive officers may be deemed to be participants in the solicitation of proxies from the stockholders of Symantec and VERITAS in connection with the merger transaction. Information regarding the special interests of these directors and executive officers in the merger transaction will be included in the joint proxy statement/prospectus of Symantec and VERITAS described above. Additional information regarding the directors and executive officers of Symantec is also included in Symantec's proxy statement for its 2004 Annual Meeting of Stockholders, which was filed with the SEC on July 30, 2004. Additional information regarding the directors and executive officers of VERITAS is also included in VERITAS' proxy statement for its 2004 Annual Meeting of Stockholders, which was filed with the SEC on July 21, 2004. These documents are available free of charge at the SEC's web site at [www.sec.gov](http://www.sec.gov) and from Investor Relations at Symantec and VERITAS as described above.

## Corporate Vision: Information Integrity

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## Strategic Rationale

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<b>Customers</b>	► Addresses customers' desire to reduce the complexity of their IT infrastructure and consolidate suppliers
<b>Products</b>	► Broadens product portfolio across heterogeneous platforms and across all tiers of the IT infrastructure
<b>Market Size</b>	► Significantly expands total market opportunity from \$35 billion to \$56 billion in 2007, according to IDC
<b>Leadership</b>	<ul style="list-style-type: none"><li>► Creates the 4th largest software company in the world</li><li>► Fastest growing large software company</li><li>► Leadership in information security and storage software</li></ul>
<b>Opportunities</b>	► Complementary go-to-market models drive revenue and global reach
<b>Management</b>	► Industry veterans, experienced in acquisition integration



## Symantec Enterprise Vision

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- ▶ Information Integrity
  - Security
  - Availability



## Chief Information Officer: Today's Challenges

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- ▶ Reduce Risk in Managing Information
  - Security
  - Availability
- ▶ Reduce Complexity
  - Heterogeneous environment
  - Number of Suppliers
- ▶ Reduce Costs
  - Hardware
  - Labor



## Symantec & VERITAS Address CIO Challenges

### ▶ Reduce Risk in Managing Information

- Security ← **Policy Compliance, Vulnerability Mgmt, User Provisioning**
- Availability ← **Backup, Archiving, Replication, Clustering, Performance**

### ▶ Reduce Complexity

- Heterogeneity ← **Heterogeneous Software**
- Fewer Suppliers ← **Single Supplier**

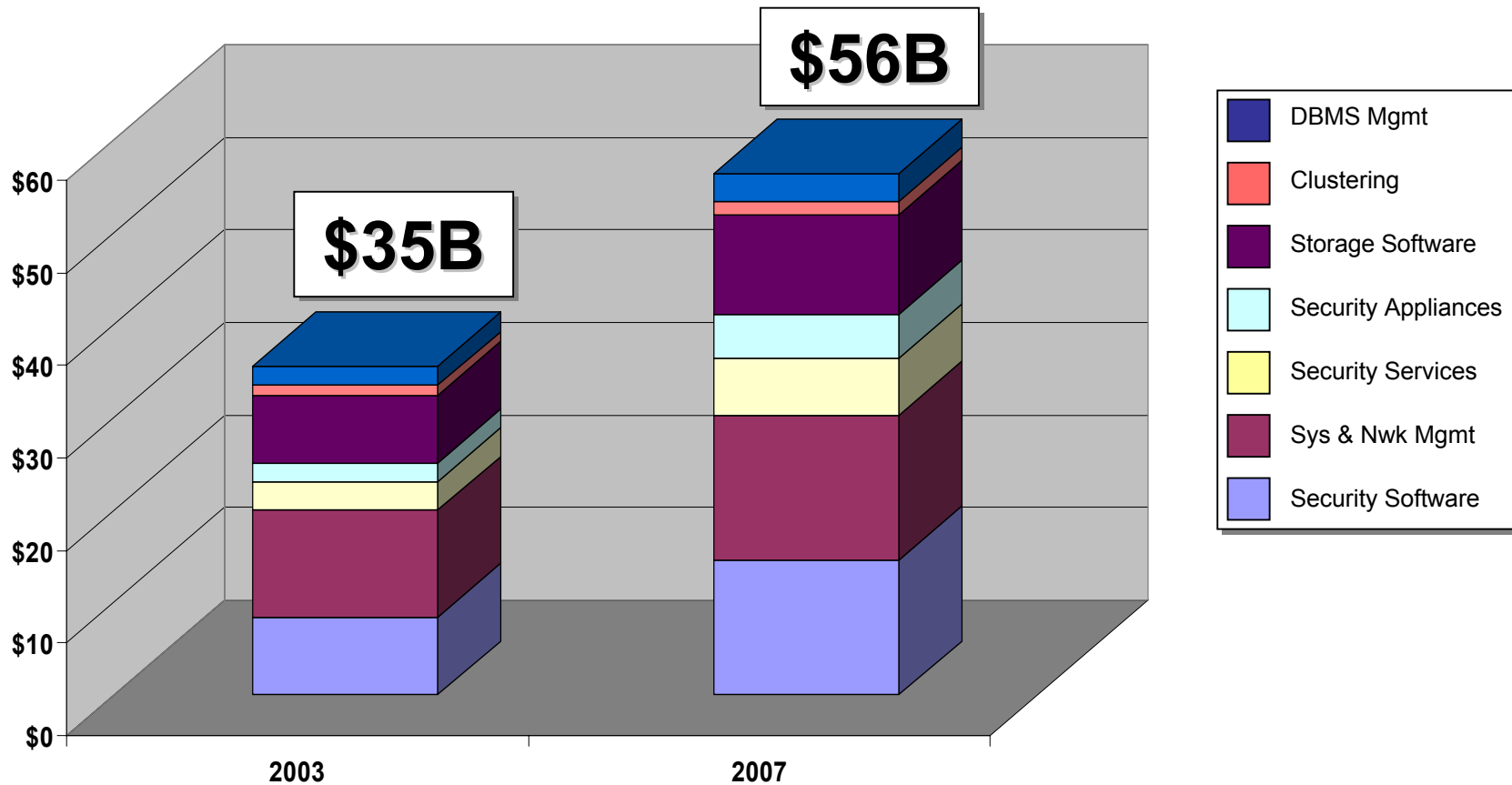
### ▶ Reduce Costs

- Hardware ← **Storage and Server Virtualization**
- Labor ← **Storage and Server Management**





## Expanding Market Opportunity – 12% CAGR



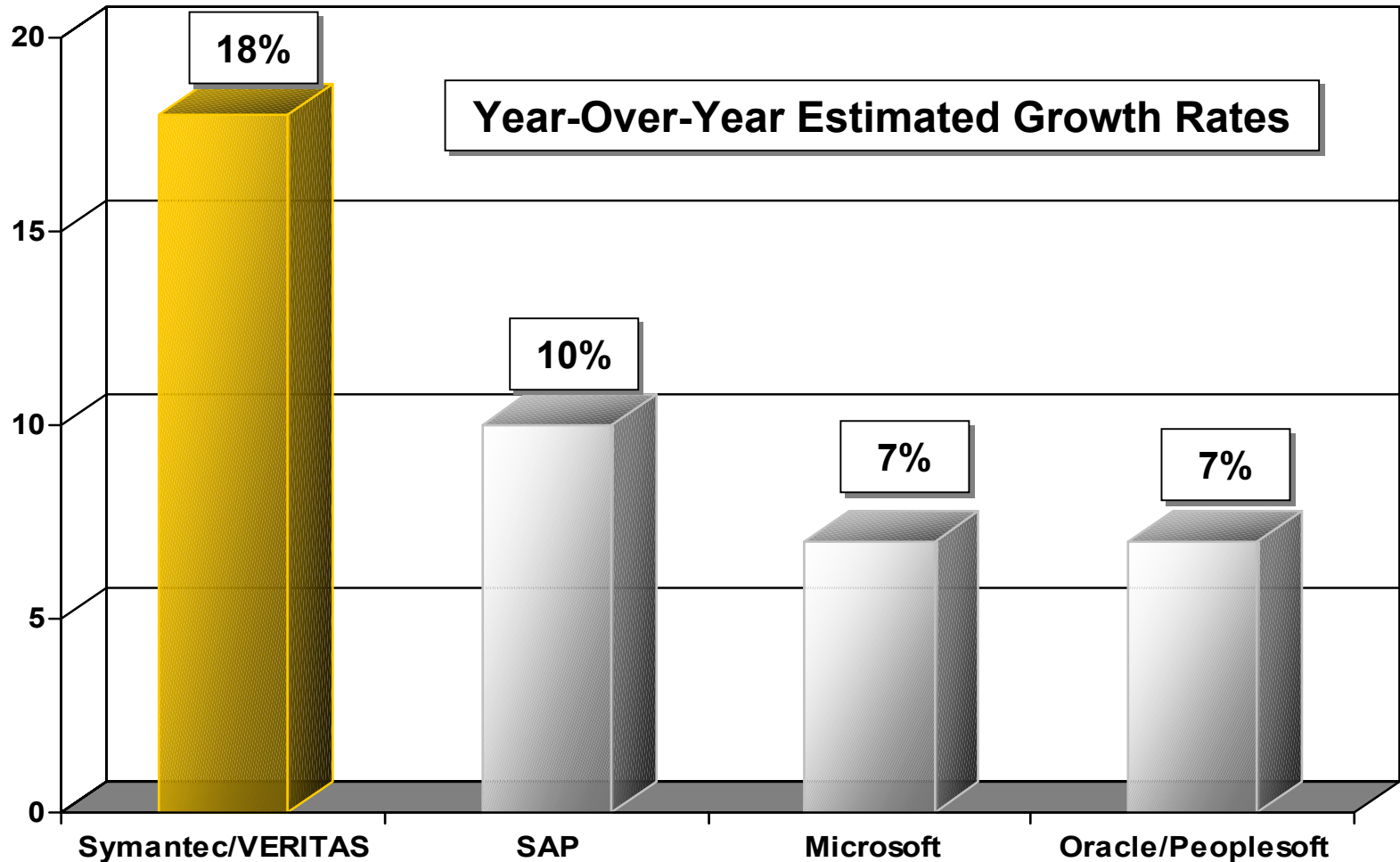
1) Source: IDC, 2004.

2) Security Services includes data for U.S. Consulting, Management Services and Education and Training market segments.

3) DBMS Management Software includes data for Data Movement and Replication and Data Management Facilities market segments.

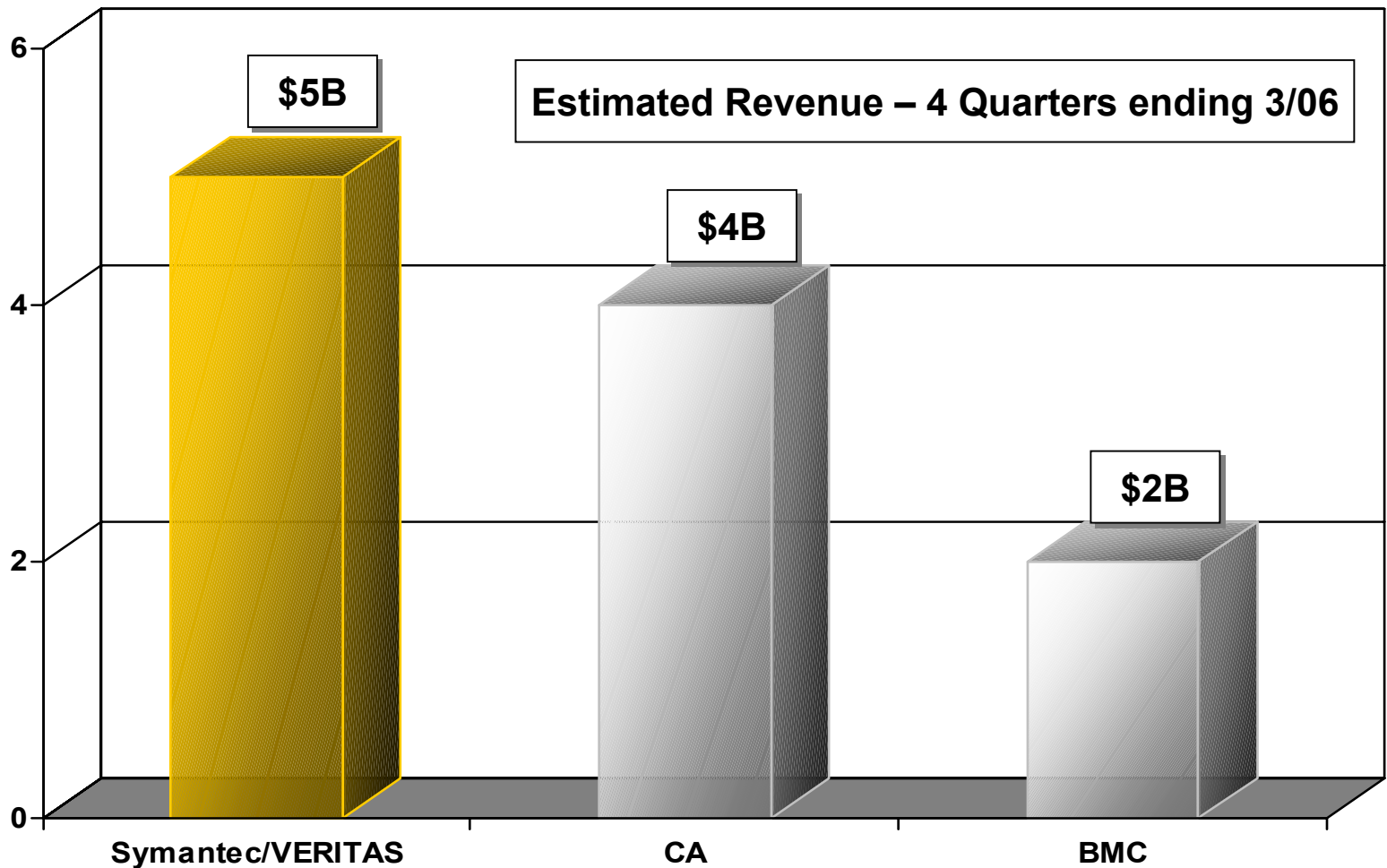


## Fastest Growing Software Company Over \$3 Billion





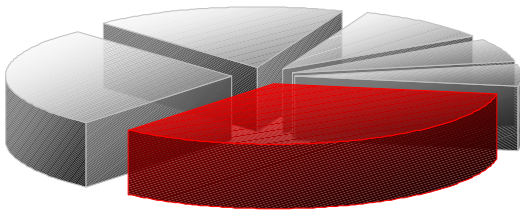
## Category Leader



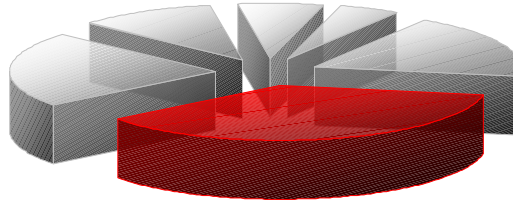


# Technology Leadership

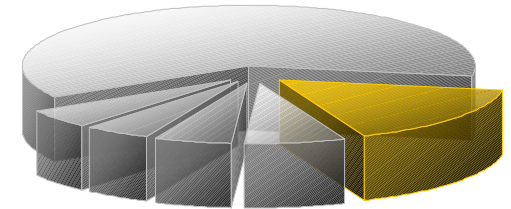
Storage Software



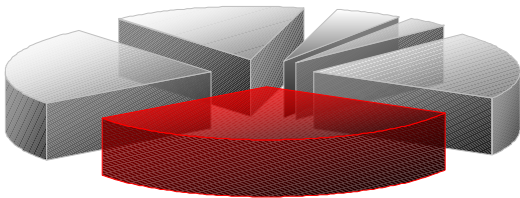
Backup & Recovery



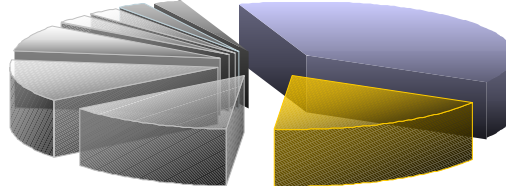
Security Software



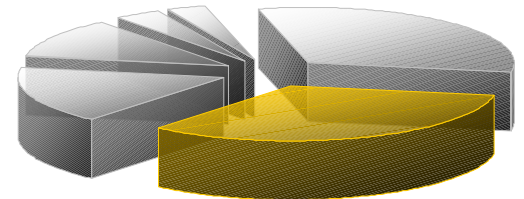
Storage Management



Vulnerability Mgmt & Policy Compliance



Secure Content Mgmt



symantec.



VERITAS™

Source: Gartner, IDC



## Opportunities

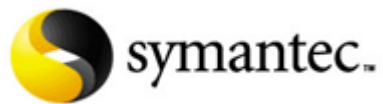
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### ► Distribution

- Consumer and Small Medium Enterprise
  - Leverage Symantec brand presence in the channel
- Enterprises
  - Leverage VERITAS' account presence in Fortune 500

### ► Products

- Resilient Infrastructure
  - Threat detection through improved application service levels
- Email Management
  - Spam filtering through email archiving
- Regulatory Compliance
  - Automated email retrieval of information during legal discovery



# Transaction Summary and Financials





# Transaction Summary

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## Transaction Details

- ▶ Approximately \$13.5 billion
- ▶ All stock transaction
- ▶ Fixed exchange ratio of 1.1242 shares of Symantec for each VERITAS share
- ▶ Symantec shareholders will own approx. 60% of the combined company
- ▶ VERITAS shareholders will own approx. 40% of the combined company

## Timeline

- ▶ Deal announced on December 16, 2004
- ▶ The transaction is expected to close second calendar quarter 2005

## Closing Conditions

- ▶ Symantec and VERITAS shareholder approval
- ▶ Regulatory approvals
- ▶ Other customary approvals



## Transaction Summary continued

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### Branding

- ▶ The combined company will maintain the Symantec name
- ▶ Continue to trade on NASDAQ under the ticker “SYMC”

### Leadership

- ▶ John Thompson will be CEO of the combined company
- ▶ Gary Bloom will be responsible for sales, services and corporate development
- ▶ John Schwarz will be responsible for product development and engineering
- ▶ Greg Myers will be CFO of the combined company
- ▶ Ed Gillis will be responsible for integration

### Board of Directors

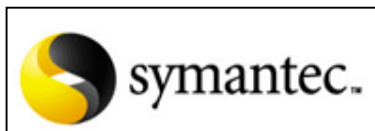
- ▶ 10 directors will comprise the board — 6 from Symantec, 4 from VERITAS

### Operations

- ▶ Headquarters in Cupertino, CA
- ▶ Operations in more than 40 countries
- ▶ Employee count of approximately 13,000



## Financial Performance: Trailing Twelve Month P&L ending 9/30/04

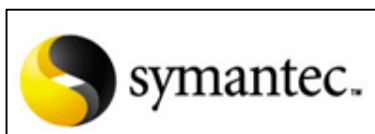


<b>Revenue</b>	<b>\$2,225 M</b>	<b>\$1,969 M</b>
<b>Gross Profit</b>	<b>\$1,877 M</b>	<b>\$1,668 M</b>
<b>Gross Margin</b>	<b>84.4%</b>	<b>84.7%</b>
<b>Operating Income</b>	<b>\$737 M</b>	<b>\$552 M</b>
<b>Operating Margin</b>	<b>33.1%</b>	<b>28.0%</b>
<b>Non-GAAP Net Income*</b>	<b>\$519 M</b>	<b>\$390 M</b>

\*Non-GAAP Net Income excludes expenses from the amortization of other intangibles from acquisitions, acquired in-process research and development, restructuring charges, and patent settlement charges as well as related income tax benefits. Reconciliation of GAAP to non-GAAP can be found on each company's investor relations website.



## Financial Performance: Balance Sheet as of 9/30/04

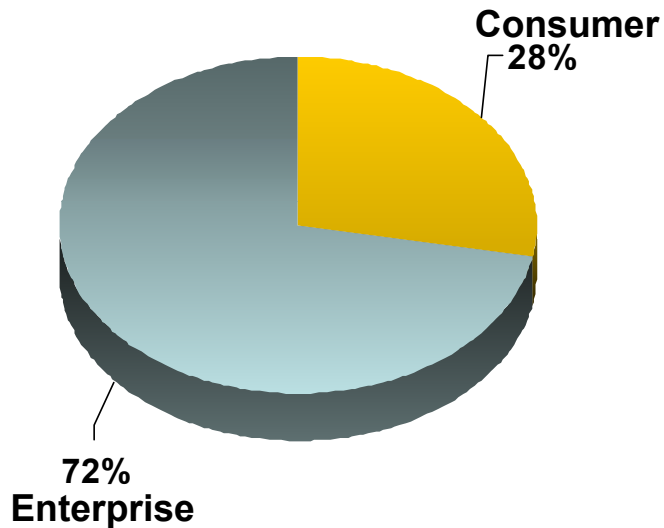


Cash	<u>\$2,545 M</u>	<u>\$2,539 M</u>
Deferred Revenue	\$1,153 M	\$418 M
Debt	\$600 M	\$901 M
DSO	48	38
Headcount	5,873	7,423

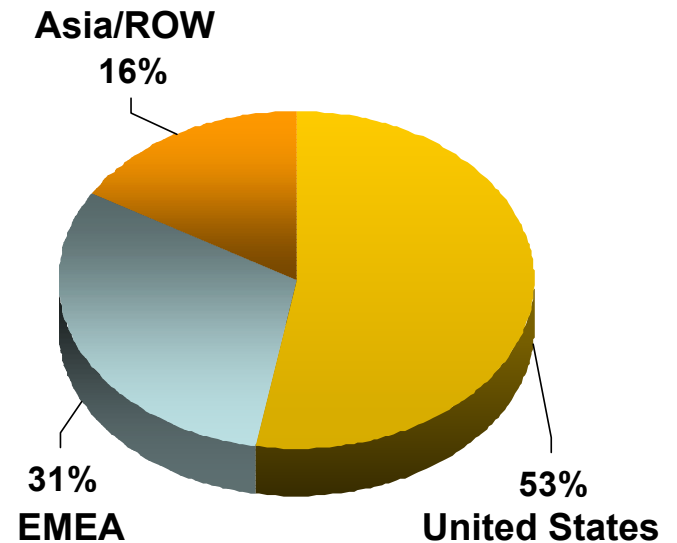


## Revenue Mix: Quarter ended 9/30/04

**Combined Revenue  
by Customer Mix**



**Combined Revenue  
by Geography**





## FY06 Guidance

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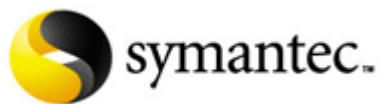
- ▶ Revenue expectation of \$5 billion
- ▶ Operating expenses expected to be 55% of revenue
  - Cost synergies of \$100 million
  - \$13 million should be realized in 1Q06, increasing through the year
- ▶ Excluding the impact of the deferred revenue write-down, non-GAAP EPS is expected to be \$0.99
- ▶ Including the impact of the deferred revenue write-down, non-GAAP EPS is expected to be \$0.83
- ▶ We expect the transaction to be accretive within the first full year of operations



## Why is this a Good Deal?

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- ▶ 4th Largest Software Company in The World
  - Breadth and Depth: technology leader in infrastructure management
  - Fastest growing large software company
  - \$35B market opportunity going to \$56B
- ▶ Broad Coverage Model
  - Global Reach: consumer to enterprise
  - Channel Presence: volume distribution to global system integrators
- ▶ Solving the CIO's Biggest Problems
  - Reduce risk and complexity of managing their IT infrastructure
  - Will provide heterogeneous solutions from a single source
- ▶ Strong Financials
  - Solid balance sheet
  - Strong cash flow generation
- ▶ Experienced Management Team
  - Industry veterans experienced in acquisition integration



Thank You

