

Symantec's Fiscal 2009 Third Quarter Supplemental Information
(Unaudited)

SUMMARY ⁽¹⁾ (in thousands)

Revenue and Earnings Results				Q3 09 vs. Q3 08	Q3 09 vs. Q2 09
	Dec-08Q	Sep-08Q	Dec-07Q	Growth	Growth
Non-GAAP Revenue	\$1,538,637	\$1,522,979	\$1,529,026	1%	1%
GAAP Revenue	\$1,513,954	\$1,518,010	\$1,515,251	0%	0%
Diluted Non-GAAP EPS	\$0.42	\$0.37	\$0.33	27%	14%
Diluted GAAP EPS	(8.23)	\$0.16	\$0.15	N/A	N/A

Revenue by Segment - Non-GAAP				Q3 09 vs. Q3 08	Q3 09 vs. Q2 09	Q3 09 % of Total
	Dec-08Q	Sep-08Q	Dec-07Q	Growth	Growth	Revenue
Security and Compliance ⁽²⁾	\$395,920	\$403,184	\$418,923	-5%	-2%	26%
Storage and Server Management	\$568,686	\$572,539	\$565,155	1%	-1%	37%
Services ⁽²⁾	\$125,350	\$106,634	\$104,247	20%	18%	8%
Total Enterprise:	\$1,089,956	\$1,082,357	\$1,088,325	0%	1%	71%
Consumer	\$448,311	\$440,192	\$440,206	2%	2%	29%
Other	\$370	\$430	\$495	-25%	-14%	0%

Revenue by Geography - Non-GAAP				Q3 09 vs. Q3 08	Q3 09 vs. Q2 09	Q3 09 % of Total
	Dec-08Q	Sep-08Q	Dec-07Q	Growth	Growth	Revenue
International	\$771,177	\$763,891	\$811,760	-5%	1%	50%
U.S.	\$767,460	\$759,088	\$717,266	7%	1%	50%
Americas (U.S., Latin America, Canada)	\$842,390	\$826,238	\$789,075	7%	2%	55%
EMEA	\$483,702	\$480,661	\$528,860	-9%	1%	31%
Asia Pacific & Japan	\$212,545	\$216,080	\$211,091	1%	-2%	14%

Expenses and Profitability - Non-GAAP				Q3 09 vs. Q3 08	Q3 09 vs. Q2 09
	Dec-08Q	Sep-08Q	Dec-07Q	Growth	Growth
Gross Margin	86.6%	85.7%	86.2%	N/A	N/A
Operating Expenses	\$838,321	\$861,726	\$898,708	-7%	-3%
Operating Expenses as a % of total revenue	54%	57%	59%	N/A	N/A
Operating Income	\$494,728	\$443,025	\$419,538	18%	12%
Operating Margin	32.2%	29.1%	27.4%	N/A	N/A
Net Income	\$350,219	\$311,177	\$291,748	20%	13%
Fully Diluted Shares Outstanding	834,035	852,334	876,221	N/A	N/A

Balance Sheet & Cash Flow Metrics				Q3 09 vs. Q3 08	Q3 09 vs. Q2 09
	Dec-08Q	Sep-08Q	Dec-07Q	Growth	Growth
Cash position (including short-term investments)	\$1,528,921	\$2,304,642	\$1,967,040	-22%	-34%
DSO	55 days	39 days	54 days	N/A	N/A
Non-GAAP Deferred Revenue	\$2,963,124	\$2,721,059	\$2,897,029	2%	9%
GAAP Deferred Revenue	\$2,918,612	\$2,713,226	\$2,877,173	1%	8%
Cash Flow from Operating Activities	\$401,674	\$248,291	\$462,005	-13%	62%
Purchase of property and equipment	\$89,893	\$67,644	\$71,100	26%	33%
Stock Repurchase - number of shares purchased	16.1 million shares	9.3 million shares	22.7 million shares		

(1) The information presented above includes selected historical GAAP and non-GAAP financial information. To see the most directly comparable GAAP financial measures together with the reconciliation, go to: <http://investor.symantec.com/phoenix.zhtml?c=89422&p=irol-irhome>.

(2) During the first quarter of fiscal year 2009, Altiris services' revenue was reclassified from the Security and Compliance segment to the Services segment. Data shown from the prior periods have been reclassified to match the current reporting structure.

Symantec's Fiscal 2009 Third Quarter Supplemental Information
(Unaudited)

Large Transactions Summary

	Greater than \$300k	Greater than \$1m
Dec-08	448	104
Sep-08	326	77
Jun-08	336	85
Mar-08	449	115
Dec-07	554	127
Sep-07	302	64
Jun-07	249	48

Headcount

	Total employees	Acquisition headcount added during period
Dec-08	17,621	811
Sep-08	17,993	7
Jun-08	17,763	101
Mar-08	17,648	-
Dec-07	17,906	164
Sep-07	18,059	-
Jun-07	17,705	980

SYMANTEC CORPORATION
GAAP Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Fiscal YTD 2009	2-Jan-09	Three months ended 3-Oct-08	4-Jul-08	Fiscal 2008	28-Mar-08	Three months ended 28-Dec-07	28-Sep-07	29-Jun-07
Net revenues:									
Content, subscriptions, and maintenance	\$ 3,668,645	\$ 1,196,938	\$ 1,180,715	\$ 1,290,992	\$ 4,561,566	\$ 1,190,440	\$ 1,167,443	\$ 1,117,165	\$ 1,086,518
Licenses	1,013,641	317,016	337,295	359,330	1,312,853	349,301	347,808	301,924	313,820
Total net revenues	4,682,286	1,513,954	1,518,010	1,650,322	5,874,419	1,539,741	1,515,251	1,419,089	1,400,338
Cost of revenues:									
Content, subscriptions, and maintenance	630,982	200,338	212,070	218,574	826,339	206,746	204,355	205,572	209,666
Licenses	27,134	8,289	10,398	8,447	44,664	13,230	10,304	9,892	11,238
Amortization of acquired product rights	261,772	90,209	86,602	84,961	349,327	86,403	84,502	89,062	89,360
Total cost of revenues	919,888	298,836	309,070	311,982	1,220,330	306,379	299,161	304,526	310,264
Gross profit	3,762,398	1,215,118	1,208,940	1,338,340	4,654,089	1,233,362	1,216,090	1,114,563	1,090,074
Operating expenses:									
Sales and marketing	1,840,510	580,708	596,983	662,819	2,415,264	623,592	627,980	595,162	568,530
Research and development	655,185	204,701	219,049	231,435	895,242	223,314	225,293	221,057	225,578
General and administrative	261,112	83,508	84,838	92,766	347,642	92,792	82,600	86,405	85,845
Amortization of other purchased intangible assets	171,677	60,647	55,651	55,379	225,131	56,284	54,996	56,926	56,925
Restructuring	72,600	45,805	9,790	17,005	73,914	22,031	23,305	9,578	19,000
Impairment of goodwill	7,005,702	7,005,702	-	-	-	-	-	-	-
Impairment of assets held for sale	43,053	16,849	26,204	-	94,616	1,928	6,142	86,546	-
Patent settlement	(9,900)	(9,900)	-	-	-	-	-	-	-
Total operating expenses	10,039,939	7,988,020	992,515	1,059,404	4,051,809	1,019,941	1,020,316	1,055,674	955,878
Operating (loss) income	(6,277,541)	(6,772,902)	216,425	278,936	602,280	213,421	195,774	58,889	134,196
Interest income	34,966	4,676	12,302	17,988	76,896	16,899	19,997	19,179	20,821
Interest expense	(22,792)	(6,511)	(6,712)	(9,569)	(29,480)	(9,095)	(7,477)	(6,617)	(6,291)
Settlements of litigation	(2,966)	(1,218)	(1,748)	-	58,500	58,500	-	-	-
Other income (expense), net	10,694	17,789	(7,034)	(61)	4,327	3,444	(2,348)	1,965	1,266
(Loss) income before income taxes and loss from joint venture	(6,257,639)	(6,758,166)	213,233	287,294	712,523	283,169	205,946	73,416	149,992
Provision for income taxes	188,455	31,620	62,414	94,421	248,673	96,783	74,056	23,048	54,786
Loss from joint venture	33,398	16,471	10,746	6,181	-	-	-	-	-
Net (loss) income	\$ (6,479,492)	\$ (6,806,257)	\$ 140,073	\$ 186,692	\$ 463,850	\$ 186,386	\$ 131,890	\$ 50,368	\$ 95,206
Net (loss) income per share - diluted	\$ (7.76)	\$ (8.23)	\$ 0.16	\$ 0.22	\$ 0.52	\$ 0.22	\$ 0.15	\$ 0.06	\$ 0.10
Weighted-average shares outstanding - diluted	834,774	826,959	852,334	853,994	884,136	856,747	876,221	892,759	910,302

SYMANTEC CORPORATION
Non-GAAP Statements of Operations ⁽¹⁾
(In thousands, except per share data)
(Unaudited)

	Fiscal YTD 2009	2-Jan-09	Three months ended 3-Oct-08	4-Jul-08	Fiscal 2008	28-Mar-08	Three months ended 28-Dec-07	28-Sep-07	29-Jun-07
Net revenues	\$ 4,716,709	\$ 1,538,637	\$ 1,522,979	\$ 1,655,093	\$ 5,937,189	\$ 1,547,987	\$ 1,529,026	\$ 1,437,332	\$ 1,422,844
Cost of revenues	647,201	205,588	218,228	223,385	854,269	216,016	210,780	210,964	216,508
Gross profit	4,069,508	1,333,049	1,304,751	1,431,708	5,082,920	1,331,971	1,318,246	1,226,368	1,206,336
Operating expenses:									
Sales and marketing	1,788,376	565,977	578,810	643,589	2,355,551	607,770	613,857	580,736	553,188
Research and development	617,540	193,751	204,946	218,843	835,977	209,079	209,579	206,056	211,263
General and administrative	240,747	78,593	77,970	84,184	314,582	84,371	75,272	78,028	76,911
Total operating expenses	2,646,663	838,321	861,726	946,616	3,506,110	901,220	898,708	864,820	841,362
Operating income	1,422,845	494,728	443,025	485,092	1,576,810	430,751	419,538	361,548	364,974
Interest income	34,966	4,676	12,302	17,988	76,896	16,899	19,997	19,179	20,821
Interest expense	(22,792)	(6,511)	(6,712)	(9,569)	(29,480)	(9,095)	(7,477)	(6,617)	(6,291)
Other income (expense), net	10,694	17,789	(7,034)	(61)	1,050	3,444	(5,626)	1,966	1,266
Income before income taxes and loss from joint venture	1,445,713	510,682	441,581	493,450	1,625,276	442,000	426,432	376,076	380,770
Provision for income taxes	414,758	146,206	121,693	146,859	498,765	132,570	134,684	113,440	118,072
Loss from joint venture	27,779	14,257	8,711	4,811	-	-	-	-	-
Net income	\$ 1,003,176	\$ 350,219	\$ 311,177	\$ 341,780	\$ 1,126,511	\$ 309,430	\$ 291,748	\$ 262,636	\$ 262,698
Net income per share - diluted	\$ 1.18	\$ 0.42	\$ 0.37	\$ 0.40	\$ 1.27	\$ 0.36	\$ 0.33	\$ 0.29	\$ 0.29
Weighted-average shares outstanding - diluted	846,891	834,035	852,334	853,994	884,136	856,747	876,221	892,759	910,302

(1) The method we use to produce non-GAAP results is not computed according to GAAP and may differ from the methods used by other companies. Our non-GAAP results are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should read in conjunction with our condensed consolidated financial statements prepared in accordance with GAAP.

SYMANTEC CORPORATION
Reconciliation of Non-GAAP Adjustments
Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Fiscal YTD 2009	2-Jan-09	Three months ended 3-Oct-08	4-Jul-08	Fiscal 2008	28-Mar-08	Three months ended 28-Dec-07	28-Sep-07	29-Jun-07
NET REVENUES:									
GAAP net revenues	\$ 4,682,286	\$ 1,513,954	\$ 1,518,010	\$ 1,650,322	\$ 5,874,419	\$ 1,539,741	\$ 1,515,251	\$ 1,419,089	\$ 1,400,338
Deferred revenue related to acquisitions ⁽¹⁾	34,423	24,683	4,969	4,771	62,770	8,246	13,775	18,243	-
Non-GAAP net revenues	<u>\$ 4,716,709</u>	<u>\$ 1,538,637</u>	<u>\$ 1,522,979</u>	<u>\$ 1,655,093</u>	<u>\$ 5,937,189</u>	<u>\$ 1,547,987</u>	<u>\$ 1,529,026</u>	<u>\$ 1,437,332</u>	<u>\$ 1,422,844</u>
GROSS PROFIT:									
GAAP gross profit	\$ 3,762,398	\$ 1,215,118	\$ 1,208,940	\$ 1,338,340	\$ 4,654,089	\$ 1,233,362	\$ 1,216,090	\$ 1,114,563	\$ 1,090,074
Deferred revenue related to acquisitions ⁽¹⁾	34,423	24,683	4,969	4,771	62,770	8,246	13,775	18,243	22,506
Stock-based compensation ⁽²⁾	10,915	3,039	4,240	3,636	16,734	3,960	3,879	4,499	4,396
Amortization of acquired product rights ⁽³⁾	261,772	90,209	86,602	84,961	349,327	86,403	84,502	89,062	89,360
Gross profit adjustment	307,110	117,931	95,811	93,368	428,831	98,609	102,156	111,804	116,262
Non-GAAP gross profit	<u>\$ 4,069,508</u>	<u>\$ 1,333,049</u>	<u>\$ 1,304,751</u>	<u>\$ 1,431,708</u>	<u>\$ 5,082,920</u>	<u>\$ 1,331,971</u>	<u>\$ 1,318,246</u>	<u>\$ 1,226,367</u>	<u>\$ 1,206,336</u>
OPERATING EXPENSES:									
GAAP operating expenses	\$ 10,039,939	\$ 7,988,020	\$ 992,515	\$ 1,059,404	\$ 4,051,809	\$ 1,019,941	\$ 1,020,316	\$ 1,055,674	\$ 955,878
Stock-based compensation ⁽²⁾	(112,215)	(30,596)	(40,408)	(41,211)	(146,961)	(38,582)	(35,541)	(36,490)	(36,348)
Amortization of other intangible assets ⁽³⁾	(171,677)	(60,647)	(55,651)	(55,379)	(225,131)	(56,284)	(54,996)	(56,926)	(56,925)
Restructuring ⁽⁴⁾	(72,600)	(45,805)	(9,790)	(17,005)	(73,914)	(22,031)	(23,305)	(9,578)	(19,000)
Impairment of goodwill ⁽⁵⁾	(7,005,702)	(7,005,702)	-	-	-	-	-	-	-
Impairment of assets held for sale ⁽⁶⁾	(42,719)	(16,849)	(26,281)	411	(95,816)	(1,928)	(7,342)	(86,546)	-
Gain on sale of assets ⁽⁷⁾	1,341	-	1,341	-	-	-	-	-	-
Executive incentive bonuses ⁽⁸⁾	396	-	-	396	(3,436)	104	(424)	(1,314)	(1,802)
Integration ⁽⁹⁾	-	-	-	-	(441)	-	-	-	(441)
Patent settlement ⁽¹⁰⁾	9,900	9,900	-	-	-	-	-	-	-
Operating expense adjustment	(7,393,276)	(7,149,699)	(130,789)	(112,788)	(545,699)	(118,721)	(121,608)	(190,854)	(114,516)
Non-GAAP operating expenses	<u>\$ 2,646,663</u>	<u>\$ 838,321</u>	<u>\$ 861,726</u>	<u>\$ 946,616</u>	<u>\$ 3,506,110</u>	<u>\$ 901,220</u>	<u>\$ 898,708</u>	<u>\$ 864,820</u>	<u>\$ 841,362</u>
OPERATING INCOME:									
GAAP operating (loss) income	\$ (6,277,541)	\$ (6,772,902)	\$ 216,425	\$ 278,936	\$ 602,280	\$ 213,421	\$ 195,774	\$ 58,889	\$ 134,196
Gross profit adjustment	307,110	117,931	95,811	93,368	428,831	98,609	102,156	111,804	116,262
Operating expense adjustment	7,393,276	7,149,699	130,789	112,788	545,699	118,721	121,608	190,854	114,516
Non-GAAP operating income	<u>\$ 1,422,845</u>	<u>\$ 494,728</u>	<u>\$ 443,025</u>	<u>\$ 485,092</u>	<u>\$ 1,576,810</u>	<u>\$ 430,751</u>	<u>\$ 419,538</u>	<u>\$ 361,547</u>	<u>\$ 364,974</u>
NET INCOME:									
GAAP net (loss) income	\$ (6,479,492)	\$ (6,806,257)	\$ 140,073	\$ 186,692	\$ 463,850	\$ 186,386	\$ 131,890	\$ 50,368	\$ 95,206
Gross profit adjustment	307,110	117,931	95,811	93,368	428,831	98,609	102,156	111,804	116,262
Operating expense adjustment	7,393,276	7,149,699	130,789	112,788	545,699	118,721	121,608	190,854	114,516
Gain on sale of assets ⁽⁷⁾	-	-	-	-	(3,277)	-	(3,277)	-	-
Settlements of litigation ⁽¹⁰⁾	2,966	1,218	1,748	-	(58,500)	(58,500)	-	-	-
Joint venture:									
Amortization of other intangible assets/stock-based compensation ⁽¹¹⁾	5,619	2,214	2,035	1,370	-	-	-	-	-
Income tax effect on above items ⁽¹²⁾	(226,303)	(114,586)	(59,279)	(52,438)	(250,092)	(35,786)	(60,629)	(90,391)	(63,286)
Non-GAAP net income	<u>\$ 1,003,176</u>	<u>\$ 350,219</u>	<u>\$ 311,177</u>	<u>\$ 341,780</u>	<u>\$ 1,126,511</u>	<u>\$ 309,430</u>	<u>\$ 291,748</u>	<u>\$ 262,635</u>	<u>\$ 262,698</u>
NET (LOSS) INCOME PER SHARE - DILUTED:									
GAAP net (loss) income per share	\$ (7.76)	\$ (8.23)	\$ 0.16	\$ 0.22	\$ 0.52	\$ 0.22	\$ 0.15	\$ 0.06	\$ 0.10
Stock-based compensation adjustment per share, net of tax ⁽²⁾	0.10	0.03	0.04	0.04	0.14	0.04	0.04	0.04	0.04
Other non-GAAP adjustments per share, net of tax ^(1, 3-11)	8.84	8.62	0.17	0.14	0.61	0.10	0.14	0.19	0.15
Non-GAAP net income per share	<u>\$ 1.18</u>	<u>\$ 0.42</u>	<u>\$ 0.37</u>	<u>\$ 0.40</u>	<u>\$ 1.27</u>	<u>\$ 0.36</u>	<u>\$ 0.33</u>	<u>\$ 0.29</u>	<u>\$ 0.29</u>
WEIGHTED-AVERAGE SHARES OUTSTANDING - DILUTED:									
GAAP weighted-average shares outstanding	834,774	826,959	852,334	853,994	884,136	856,747	876,221	892,759	910,302
Non-GAAP weighted-average shares outstanding	<u>846,891</u>	<u>834,035</u>	<u>852,334</u>	<u>853,994</u>	<u>884,136</u>	<u>856,747</u>	<u>876,221</u>	<u>892,759</u>	<u>910,302</u>

(See notes on following pages)

The non-GAAP financial measures included in the tables above are non-GAAP net revenues, non-GAAP net income and non-GAAP net income per share, which adjust for the following items: business combination accounting entries, stock-based compensation expense, restructuring charges, charges related to the amortization of intangible assets and acquired product rights, impairments of assets and certain other items. We believe the presentation of these non-GAAP financial measures, when taken together with the corresponding GAAP financial measures, provides meaningful supplemental information regarding the Company's operating performance for the reasons discussed below. Our management uses these non-GAAP financial measures in assessing the Company's operating results, as well as when planning, forecasting and analyzing future periods. We believe that these non-GAAP financial measures also facilitate comparisons of the Company's performance to prior periods and to our peers and that investors benefit from an understanding of these non-GAAP financial measures.

(1) *Fair value adjustment to deferred revenue.* We have completed several business combinations and acquisitions for a variety of strategic purposes over the past few years. As is the case with our existing business, at the time of acquisition, these acquired businesses recorded deferred revenue related to past transactions for which revenue would be recognized in future periods as revenue recognition criteria are satisfied. The purchase accounting entries for these acquisitions require us to write down a portion of this deferred revenue to its then current fair value. Consequently, in post acquisition periods, we do not recognize the full amount of this deferred revenue. When measuring the performance of our business, however, we add back non-GAAP revenue associated with certain types of deferred revenue that were excluded as a result of these purchase accounting adjustments, as we believe that this provides information about the operating impact of the acquired businesses in a manner consistent with the revenue recognition for our pre-existing products and services. We believe that the inclusion of this revenue provides useful information to our management, as well as to investors.

(2) *Stock-based compensation.* Consists of expenses for employee stock options, restricted stock units, restricted stock awards and our employee stock purchase plan determined in accordance with Statement of Financial Accounting Standards ("SFAS") No. 123R, *Share-Based Payment*. When evaluating the performance of our individual business units and developing short and long term plans, we do not consider stock-based compensation charges. Our management team is held accountable for cash-based compensation, but we believe that management is limited in its ability to project the impact of stock-based compensation and accordingly is not held accountable for its impact on our operating results. Although stock-based compensation is necessary to attract and retain quality employees, our consideration of stock-based compensation places its primary emphasis on overall shareholder dilution rather than the accounting charges associated with such grants. In addition, for comparability purposes, we believe it is useful to provide a non-GAAP financial measure that excludes stock-based compensation in order to better understand the long-term performance of our core business and to facilitate the comparison of our results to the results of our peer companies. Furthermore, unlike cash-based compensation, the value of stock-based compensation is determined using a complex formula that incorporates factors, such as market volatility, that are beyond our control. Further, we believe it is useful to investors to understand the impact of SFAS No. 123R to our results of operations. For the three and nine months ended January 2, 2009 and December 28, 2007, respectively, stock-based compensation was allocated as follows:

	Three Months Ended		Nine Months Ended	
	January 2, 2009	December 28, 2007	January 2, 2009	December 28, 2007
Cost of revenues	\$ 3,039	\$ 3,879	\$ 10,915	\$ 12,774
Sales and marketing	14,731	14,013	52,263	42,433
Research and development	10,951	14,431	38,104	43,439
General and administrative	4,914	7,097	21,848	22,507
Total stock-based compensation	<u>\$ 33,635</u>	<u>\$ 39,420</u>	<u>\$ 123,130</u>	<u>\$ 121,153</u>

(3) *Amortization of acquired product rights and other intangible assets.* When conducting internal development of intangible assets, accounting rules require that we expense the costs as incurred. In the case of acquired businesses, however, we are required to allocate a portion of the purchase price to the accounting value assigned to intangible assets acquired and amortize this amount over the estimated useful lives of the acquired intangibles. The acquired company, in most cases, has itself previously expensed the costs incurred to develop the acquired intangible assets, and the purchase price allocated to these assets is not necessarily reflective of the cost we would incur in developing the intangible asset. We eliminate these amortization charges from our non-GAAP operating results to provide better comparability of pre and post-acquisition operating results and comparability to results of businesses utilizing internally developed intangible assets.

(4) *Restructuring.* We have engaged in various restructuring activities over the past several years that have resulted in costs associated with severance, benefits, outplacement services, and excess facilities. Each restructuring has been a discrete event based on a unique set of business objectives or circumstances, and each has differed from the others in terms of its operational implementation, business impact and scope. We do not engage in restructuring activities in the ordinary course of business. While our operations previously benefited from the employees and facilities covered by our various restructuring charges, these employees and facilities have benefited different parts of our business in different ways, and the amount of these charges has varied significantly from period to period. We believe that it is important to understand these charges; however, we do not believe that these charges are indicative of future operating results and that investors benefit from an understanding of our operating results without giving effect to them.

(5) *Impairment of goodwill and other intangible assets.* During the December quarter, given the current economic environment and a decline in our market capitalization, we concluded there were sufficient indicators to require us to perform an interim goodwill and other intangibles impairment analysis. We have not completed this analysis but have concluded that an impairment loss can be reasonably estimated. We expect to finalize our goodwill and other intangible impairment analysis during the fourth quarter of fiscal 2009 and may make an adjustment to this charge when the goodwill impairment test is completed.

(6) *Impairment of asset held for sale.* Following a review of our real estate holdings we determined that certain long-term assets were underutilized. As a result, we have committed to sell certain buildings and land. In accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, we have classified these assets as held for sale and adjusted the assets' carrying value when above the fair market value less cost to sell. During the September 2007 quarter, management determined that certain tangible and intangible assets and liabilities of the Storage and Server Management segment (formally the Data Center Management segment) did not meet the long term strategic objectives of the segment, and we recorded an impairment in the value of these assets to adjust the carrying value to the respective estimated fair value less costs to sell. On March 8, 2008 these assets were sold to a third- party. We do not believe that these charges are indicative of future operating results and believe that investors benefit from an understanding of our operating results without giving effect to them.

(7) *Gain on sale of assets.* During the September 2008 quarter, we sold two buildings classified as held for sale. We exclude these gains because each is a unique one-time occurrence that is not closely related to, or a function of, our ongoing operations.

(8) *Executive incentive bonuses.* We have excluded bonuses related to acquisitions and executive sign-on bonuses for newly hired executives. We expect the benefit from these hires and retentions to extend over an indeterminate future period, but under GAAP we are required to expense the entire cost of the bonus in the period paid. We exclude these amounts to provide better comparability of the periods that include and do not include these charges. We believe that investors benefit from an understanding of our operating results for the periods presented without giving effect to these charges.

(9) *Integration.* These charges consist of expenses incurred for consulting services and other professional fees associated with integration activities of acquisitions. Because these expenses are non-recurring and unique to specific acquisitions, we believe they are not indicative of future operating results and that investors benefit from an understanding of our operating results without giving effect to them.

10) *Patent settlement/settlements of litigation.* From time to time we are party to legal settlements. We exclude the impact of these settlements because we do not consider these settlements to be part of the ongoing operation of our business and because of the singular nature of the claims underlying the matter.

(11) *Joint venture.* Consistent with the reasons discussed in footnotes 2 and 3 above, we exclude stock-based compensation charges and amortization of other intangible assets related to the joint venture from our non-GAAP net income.

(12) *Income tax effect on above items.* This amount adjusts the provision for income taxes to reflect the effect of the non-GAAP adjustments on non-GAAP net income

SYMANTEC CORPORATION

Reconciliation of GAAP Revenue Components to Non-GAAP Revenue Components

(In thousands)

(Unaudited)

	Fiscal YTD 2009			Three Months Ended Jan 2, 2009			Three Months Ended Oct 3, 2008			Three Months Ended Jul 4, 2008		
	Non-GAAP		Non-GAAP	Non-GAAP		Non-GAAP	Non-GAAP		Non-GAAP	Non-GAAP		Non-GAAP
	GAAP	Adjustments ⁽¹⁾		GAAP	Adjustments ⁽¹⁾		GAAP	Adjustments ⁽¹⁾		GAAP	Adjustments ⁽¹⁾	
Net Revenues	\$ 4,682,286	\$ 34,423	\$ 4,716,709	\$ 1,513,954	\$ 24,683	\$ 1,538,637	\$ 1,518,010	\$ 4,969	\$ 1,522,979	\$ 1,650,322	\$ 4,771	\$ 1,655,093
Revenue by Segment⁽²⁾												
Security and Compliance Group	\$ 1,241,251	\$ 6,776	\$ 1,248,027	\$ 394,612	\$ 1,308	\$ 395,920	\$ 400,992	\$ 2,192	\$ 403,184	\$ 445,647	\$ 3,276	\$ 448,923
Storage and Server Management Group	1,755,949	1,091	1,757,040	568,484	202	568,686	572,309	230	572,539	615,156	659	615,815
Consumer	1,342,275	19,367	1,361,642	432,289	16,022	448,311	437,655	2,537	440,192	472,331	808	473,139
Services	341,536	7,188	348,724	118,199	7,151	125,350	106,624	10	106,634	116,713	27	116,740
Other	1,275	1	1,276	370	0	370	430	0	430	475	1	476
Revenue by Geography:												
Americas ⁽³⁾	\$ 2,511,149	\$ 22,726	\$ 2,533,875	\$ 827,872	\$ 14,518	\$ 842,390	\$ 821,823	\$ 4,415	\$ 826,238	\$ 861,454	\$ 3,793	\$ 865,247
EMEA	1,512,553	10,459	1,523,012	474,532	9,170	483,702	480,182	479	480,661	557,839	810	558,649
Asia Pacific/Japan	658,584	1,238	659,822	211,550	995	212,545	216,005	75	216,080	231,029	168	231,197
Total U.S. Revenue	\$ 2,293,811	\$ 21,824	\$ 2,315,635	\$ 753,832	\$ 13,628	\$ 767,460	\$ 754,674	\$ 4,414	\$ 759,088	\$ 785,305	\$ 3,782	\$ 789,087
Total International Revenue	2,388,475	12,599	2,401,074	760,122	11,055	771,177	763,336	555	763,891	865,017	989	866,006

	FY 2008			Three Months Ended Mar 28, 2008			Three Months Ended Dec 28, 2007			Three Months Ended Sep 28, 2007			Three Months Ended Jun 29, 2007		
	Non-GAAP		Non-GAAP	Non-GAAP		Non-GAAP	Non-GAAP		Non-GAAP	Non-GAAP		Non-GAAP	Non-GAAP		Non-GAAP
	GAAP	Adjustments ⁽¹⁾		GAAP	Adjustments ⁽¹⁾		GAAP	Adjustments ⁽¹⁾		GAAP	Adjustments ⁽¹⁾		GAAP	Adjustments ⁽¹⁾	
Net Revenues	\$ 5,874,419	\$ 62,770	\$ 5,937,189	\$ 1,539,741	\$ 8,246	\$ 1,547,987	\$ 1,515,251	\$ 13,775	\$ 1,529,026	\$ 1,419,089	\$ 18,243	\$ 1,437,332	\$ 1,400,338	\$ 22,506	\$ 1,422,844
Revenue by Segment⁽²⁾															
Security and Compliance Group	\$ 1,609,468	\$ 38,740	\$ 1,648,208	\$ 423,026	\$ 5,900	\$ 428,926	\$ 410,249	\$ 8,674	\$ 418,923	\$ 388,524	\$ 10,961	\$ 399,485	\$ 387,669	\$ 13,205	\$ 400,874
Storage and Server Management Group	2,136,307	15,386	2,151,693	561,076	1,834	562,910	561,695	3,460	565,155	507,956	4,398	512,354	505,580	5,694	511,274
Consumer	1,746,089	-	1,746,089	448,625	-	448,625	440,206	-	440,206	433,508	-	433,508	423,750	-	423,750
Services	380,620	8,642	389,262	106,143	510	106,653	102,606	1,641	104,247	88,773	2,884	91,657	83,098	3,607	86,705
Other	1,935	2	1,937	871	2	873	495	0	495	328	0	328	241	0	241
Revenue by Geography:															
Americas ⁽³⁾	\$ 3,095,492	\$ 42,482	\$ 3,137,974	\$ 799,756	\$ 6,051	\$ 805,807	\$ 779,817	\$ 9,258	\$ 789,075	\$ 764,470	\$ 12,222	\$ 776,692	\$ 751,449	\$ 14,951	\$ 766,400
EMEA	1,963,319	17,349	1,980,668	520,049	1,794	521,843	524,981	3,879	528,860	460,485	5,191	465,676	457,804	6,485	464,289
Asia Pacific/Japan	815,608	2,939	818,547	219,936	401	220,337	210,453	638	211,091	194,134	830	194,964	191,085	1,070	192,155
Total U.S. Revenue	\$ 2,814,444	\$ 41,783	\$ 2,856,227	\$ 729,095	\$ 5,980	\$ 735,075	\$ 708,186	\$ 9,080	\$ 717,266	\$ 695,517	\$ 12,027	\$ 707,544	\$ 681,646	\$ 14,696	\$ 696,342
Total International Revenue	3,059,975	20,987	3,080,962	810,646	2,266	812,912	807,065	4,695	811,760	723,572	6,216	729,788	718,692	7,810	726,502

We include certain non-GAAP revenue and deferred revenue components in the tracking and forecasting of our revenue and management of our business. This includes non-GAAP revenue associated with deferred revenue that was excluded as a result of purchase accounting adjustments related to acquisitions. We believe the non-GAAP revenue measures set forth above are useful to investors, and such items are used by our management, because this revenue is reflective of our ongoing operating results.

(1) We have completed several business combinations and acquisitions for a variety of strategic purposes over the past few years. As is the case with our existing business, at the time of acquisition, acquired business had recorded deferred revenue related to past transactions for which revenue would be recognized in future periods as revenue recognition criteria are satisfied. The purchase accounting entries for these acquisitions require us to write down a portion of this deferred revenue to its then current fair value. Consequently, in post acquisition periods, we do not recognize the full amount of this deferred revenue. When measuring the performance of our business, however, we add back non-GAAP revenue associated with certain types of deferred revenue that were excluded as a result of these purchase accounting adjustments, as we believe that this provides information about the operating impact of the acquired businesses in a manner consistent with the revenue recognition for our pre-existing products and services. We believe that the inclusion of this revenue provides useful information to our management, as well as to investors.

(2) During the first quarter of fiscal year 2009, Altiris services' revenue was reclassified from the Security and Compliance segment to the Services segment. Data shown from the prior periods have been reclassified to match the current reporting structure.

(3) The Americas includes the United States, Latin America, and Canada.

SYMANTEC CORPORATION
Condensed Consolidated Balance Sheets
(In thousands)
(Unaudited)

	<u>January 2, 2009</u>	<u>October 3, 2008</u>	<u>July 04, 2008</u>	<u>March 28, 2008</u>	<u>December 28, 2007</u>	<u>September 28, 2007</u>	<u>June 29, 2007</u>
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 1,449,033	\$ 2,262,157	\$ 2,045,243	\$ 1,890,225	\$ 1,484,489	\$ 1,388,364	\$ 1,374,049
Short-term investments	79,888	42,485	241,062	536,728	482,551	609,837	639,710
Trade accounts receivable, net	927,048	645,179	652,458	758,200	901,615	601,837	568,721
Inventories	27,419	26,590	28,324	34,138	34,591	32,735	34,666
Deferred income taxes	181,003	196,273	199,188	193,775	171,198	172,422	163,146
Other current assets	<u>278,737</u>	<u>258,495</u>	<u>233,381</u>	<u>316,852</u>	<u>300,154</u>	<u>224,481</u>	<u>300,661</u>
Total current assets	2,943,128	3,431,179	3,399,656	3,729,918	3,374,598	3,029,676	3,080,953
Property and equipment, net	972,240	942,754	1,028,534	1,001,750	1,039,510	1,125,560	1,113,315
Acquired product rights, net	510,474	526,143	607,600	648,950	733,278	788,884	925,595
Other intangible assets, net	1,278,665	1,141,443	1,197,604	1,243,524	1,299,083	1,315,003	1,411,713
Goodwill	4,955,678	11,323,506	11,312,011	11,207,357	11,208,960	10,948,364	10,969,774
Investment in joint venture	116,602	133,073	143,819	150,000	-	-	-
Long-term deferred income taxes	4,399	58,781	58,521	55,304	58,455	49,998	57,300
Other long-term assets	<u>60,884</u>	<u>65,120</u>	<u>61,323</u>	<u>55,291</u>	<u>53,661</u>	<u>59,264</u>	<u>62,959</u>
Total assets	<u>\$ 10,842,070</u>	<u>\$ 17,621,999</u>	<u>\$ 17,809,068</u>	<u>\$ 18,092,094</u>	<u>\$ 17,767,545</u>	<u>\$ 17,316,749</u>	<u>\$ 17,621,609</u>
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current liabilities:							
Accounts payable	\$ 213,474	\$ 210,027	\$ 181,326	\$ 169,631	\$ 162,871	\$ 169,422	\$ 165,715
Accrued compensation and benefits	387,535	344,051	349,055	431,345	410,171	324,236	307,202
Current deferred revenue	2,512,319	2,337,237	2,602,551	2,661,515	2,497,697	2,265,575	2,330,411
Income taxes payable	92,616	50,196	77,807	72,263	78,997	40,520	13,056
Short-term borrowing	-	-	-	200,000	200,000	-	-
Other current liabilities	<u>264,897</u>	<u>228,906</u>	<u>222,340</u>	<u>264,832</u>	<u>231,686</u>	<u>191,500</u>	<u>224,416</u>
Total current liabilities	3,470,841	3,170,417	3,433,079	3,799,586	3,581,422	2,991,253	3,040,800
Convertible senior notes	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Long-term deferred revenue	406,293	375,989	409,131	415,054	379,476	333,022	334,364
Long-term deferred tax liabilities	73,801	194,728	197,069	219,341	219,778	277,041	358,010
Long-term income taxes payable	510,969	491,612	499,519	478,743	459,126	424,595	414,322
Other long-term liabilities	<u>89,473</u>	<u>95,961</u>	<u>104,302</u>	<u>106,187</u>	<u>98,662</u>	<u>85,419</u>	<u>38,647</u>
Total liabilities	6,651,377	6,428,707	6,743,100	7,118,911	6,838,464	6,211,330	6,286,143
Stockholders' equity:							
Common stock	8,202	8,357	8,376	8,393	8,452	8,650	8,813
Additional paid-in capital	8,955,257	9,121,142	9,097,974	9,139,084	9,207,367	9,495,987	9,740,361
Accumulated other comprehensive income	154,023	182,580	158,637	159,792	199,488	195,814	189,725
Accumulated (deficit) earnings	<u>(4,926,789)</u>	<u>1,881,213</u>	<u>1,800,981</u>	<u>1,665,914</u>	<u>1,513,774</u>	<u>1,404,968</u>	<u>1,396,567</u>
Total stockholders' equity	<u>4,190,693</u>	<u>11,193,292</u>	<u>11,065,968</u>	<u>10,973,183</u>	<u>10,929,081</u>	<u>11,105,419</u>	<u>11,335,466</u>
Total liabilities and stockholders' equity	<u>\$ 10,842,070</u>	<u>\$ 17,621,999</u>	<u>\$ 17,809,068</u>	<u>\$ 18,092,094</u>	<u>\$ 17,767,545</u>	<u>\$ 17,316,749</u>	<u>\$ 17,621,609</u>

SYMANTEC CORPORATION
Reconciliation of GAAP Deferred Revenue to Non-GAAP Deferred Revenue
(in thousands)
(Unaudited)

As of:	Jan 02, 2009	Oct 03, 2008	Jul 04, 2008	Mar 28, 2008	Dec 28, 2007	Sep 28, 2007	Jun 29, 2007
<u>Deferred revenue reconciliation</u>							
GAAP deferred revenue	\$ 2,918,612	\$ 2,713,226	\$ 3,011,682	\$ 3,076,569	\$ 2,877,173	\$ 2,598,597	\$ 2,664,775
Add back:							
Deferred revenue related to acquisitions ⁽¹⁾	44,512	7,833	12,834	11,662	19,856	25,888	44,007
Non-GAAP deferred revenue	<u>\$ 2,963,124</u>	<u>\$ 2,721,059</u>	<u>\$ 3,024,516</u>	<u>\$ 3,088,231</u>	<u>\$ 2,897,029</u>	<u>\$ 2,624,485</u>	<u>\$ 2,708,782</u>

We include certain non-GAAP revenue and deferred revenue components in the tracking and forecasting of our revenue and management of our business. This includes non-GAAP revenue associated with deferred revenue that was excluded as a result of purchase accounting adjustments related to acquisitions. We believe the non-GAAP deferred revenue measures set forth above are useful to investors, and such items are used by our management, because this revenue is reflective of our ongoing operating results.

(1) We have completed several business combinations and acquisitions for a variety of strategic purposes over the past few years. As is the case with our existing business, at the time of acquisition, these acquired businesses had recorded deferred revenue related to past transactions for which revenue would be recognized in future periods as revenue recognition criteria are satisfied. The purchase accounting entries for these acquisitions require us to write down a portion of this deferred revenue to its then current fair value. Consequently, in post acquisition periods, we do not recognize the full amount of this deferred revenue. When measuring the performance of our business, however, we add back certain types of deferred revenue that were excluded as a result of these purchase accounting adjustments, as we believe that this provides information about the operating impact of the acquired businesses in a manner consistent with the revenue recognition for our pre-existing products and services. We believe that the inclusion of this deferred revenue provides useful information to our management, as well as to investors.

SYMANTEC CORPORATION
Trended Cash Flow Statements
(In thousands)
(Unaudited)

	Fiscal YTD 2009	2-Jan-09	Three months ended		Fiscal 2008	28-Mar-08	Three months ended		29-Jun-07
			3-Oct-08	4-Jul-08			28-Dec-07	28-Sep-07	
OPERATING ACTIVITIES:									
Net income	\$(6,479,492)	\$(6,806,257)	\$ 140,073	\$ 186,692	\$ 463,850	\$ 186,386	\$ 131,890	\$ 50,368	\$ 95,206
Adjustments to reconcile net income to net cash provided by operating activities									
Depreciation and amortization	626,402	214,835	211,511	200,056	824,109	205,705	200,911	204,048	213,445
Stock-based compensation expense	123,130	33,635	44,648	44,847	163,695	42,544	39,417	40,991	40,743
Impairment of assets	42,719	16,849	26,281	(411)	1,200	(86,546)	1,200	86,546	-
Impairment of equity investments	-	-	-	-	1,000	1,000	-	-	-
Deferred income taxes	(53,267)	(52,350)	(15,634)	14,717	(180,215)	(1,568)	(74,747)	(78,781)	(25,119)
Income tax benefit from the exercise of stock options	17,088	(841)	7,984	9,945	29,443	1,713	10,462	7,405	9,863
Excess income tax benefit from the exercise of stock options	(16,197)	(190)	(6,974)	(9,033)	(26,151)	(7,844)	(4,778)	(4,485)	(9,044)
Loss on sale of assets	-	-	-	-	97,463	91,144	6,319	-	-
Gain on settlements of litigation	-	-	-	-	(58,500)	(58,500)	-	-	-
Loss from joint venture	33,398	16,471	10,746	6,181	-	-	-	-	-
Realized and other than temporary impairment loss on investments	2,410	80	2,330	-	-	-	-	-	-
Impairment of goodwill	7,005,554	7,005,554	-	-	-	-	-	-	-
Impairment of other intangible assets	148	148	-	-	-	-	-	-	-
Other	14,263	3,028	4,664	6,571	(894)	(3,970)	-	3,336	(260)
Net change in assets and liabilities, excluding effects of acquisitions:									
Trade accounts receivable, net	(157,069)	(256,953)	(19,001)	118,885	(7,002)	158,390	(284,378)	(22,405)	141,391
Inventories	5,835	(110)	121	5,824	10,791	1,567	(1,273)	2,791	7,706
Accounts payable	(20,279)	(19,293)	7,679	(8,665)	667	13,916	(20,896)	(5,035)	12,682
Accrued compensation and benefits	(44,638)	37,267	9,001	(90,906)	97,133	13,339	84,212	16,062	(16,480)
Deferred revenue	(49,006)	179,626	(158,366)	(70,266)	126,716	117,250	238,479	(119,009)	(110,004)
Income taxes payable	(17,569)	33,908	(20,885)	(30,592)	196,567	(18,895)	84,026	112,044	19,392
Other assets	67,752	(4,931)	(7,990)	80,673	81,115	22,259	8,452	30,075	20,329
Other liabilities	(37,641)	1,198	12,103	(50,942)	(2,334)	(3,520)	42,709	7,018	(48,541)
Net cash provided by operating activities	<u>1,063,541</u>	<u>401,674</u>	<u>248,291</u>	<u>413,576</u>	<u>1,818,653</u>	<u>674,370</u>	<u>462,005</u>	<u>330,969</u>	<u>351,309</u>
INVESTING ACTIVITIES:									
Purchase of property and equipment	(215,232)	(89,893)	(67,644)	(57,695)	(273,807)	(64,678)	(71,100)	(63,341)	(74,688)
Proceeds from sale of property and equipment	39,547	-	39,547	-	104,715	104,715	-	(903)	903
Cash payments for business acquisitions, net of cash and cash equivalents acquired	(1,045,240)	(858,414)	(20,470)	(166,356)	(1,162,455)	(11,772)	(298,397)	(11,718)	(840,568)
Investment in joint venture	-	-	-	-	(150,000)	(150,000)	-	-	-
Purchases of available-for-sale securities	(222,850)	(49,959)	(295)	(172,596)	(1,233,954)	(408,850)	(184,534)	(340,039)	(300,531)
Proceeds from sales of available-for-sale securities	679,345	11,652	195,695	471,998	1,189,283	358,380	332,517	394,775	103,611
Net cash provided by (used in) investing activities	<u>(764,430)</u>	<u>(986,614)</u>	<u>146,833</u>	<u>75,351</u>	<u>(1,526,218)</u>	<u>(172,205)</u>	<u>(221,514)</u>	<u>(21,226)</u>	<u>(1,111,273)</u>
FINANCING ACTIVITIES:									
Repurchase of common stock	(599,894)	(200,000)	(199,896)	(199,998)	(1,499,995)	(200,019)	(399,992)	(399,989)	(499,995)
Net proceeds from sales of common stock under employee stock benefit plans	189,020	3,483	110,550	74,987	224,152	59,990	33,942	68,057	62,163
Proceeds from short-term borrowing	-	-	-	-	200,000	-	200,000	-	-
Repayment of short-term borrowing	(200,000)	-	-	(200,000)	-	-	-	-	-
Excess income tax benefit from the exercise of stock options	16,197	190	6,974	9,033	26,151	7,844	4,778	4,485	9,044
Repayment of other long-term liability	(5,622)	(1,906)	(1,874)	(1,842)	(11,724)	(1,811)	(2,309)	(2,271)	(5,333)
Tax payments related to restricted stock issuance	(14,986)	(156)	(62)	(14,768)	(4,137)	(395)	(692)	(111)	(2,939)
Net cash used in financing activities	<u>(615,285)</u>	<u>(198,389)</u>	<u>(84,308)</u>	<u>(332,588)</u>	<u>(1,065,553)</u>	<u>(134,391)</u>	<u>(164,273)</u>	<u>(329,829)</u>	<u>(437,060)</u>
Effect of exchange rate fluctuations on cash and cash equivalents	<u>(125,018)</u>	<u>(29,795)</u>	<u>(93,902)</u>	<u>(1,321)</u>	<u>104,309</u>	<u>37,962</u>	<u>19,907</u>	<u>34,401</u>	<u>12,039</u>
Increase (decrease) in cash and cash equivalents	(441,192)	(813,124)	216,914	155,018	(668,809)	405,736	96,125	14,315	(1,184,985)
Beginning cash and cash equivalents	<u>1,890,225</u>	<u>2,262,157</u>	<u>2,045,243</u>	<u>1,890,225</u>	<u>2,559,034</u>	<u>1,484,489</u>	<u>1,388,364</u>	<u>1,374,049</u>	<u>2,559,034</u>
Ending cash and cash equivalents	<u>\$ 1,449,033</u>	<u>\$ 1,449,033</u>	<u>\$ 2,262,157</u>	<u>\$ 2,045,243</u>	<u>\$ 1,890,225</u>	<u>\$ 1,890,225</u>	<u>\$ 1,484,489</u>	<u>\$ 1,388,364</u>	<u>\$ 1,374,049</u>

SYMANTEC CORPORATION
Guidance - Reconciliation of Projected GAAP Revenue, GAAP Deferred Revenue and GAAP Earnings per Share
to Non-GAAP Revenue, Deferred Revenue and Earnings per Share
(Unaudited)

	Three Months Ending:
	April 3, 2009
<u>Revenue reconciliation (in millions)</u>	
GAAP revenue range	\$1,475 - \$1,525
Add back:	
Deferred revenue related to acquisitions ⁽¹⁾	15
Non-GAAP revenue range	\$1,490 - \$1,540
<u>Earnings per share reconciliation</u>	
GAAP earnings per share range	
Add back:	\$0.12 - \$0.14
Stock-based compensation, net of tax ⁽²⁾	0.04
Deferred revenue related to acquisitions, amortization of acquired product rights and other intangible assets and restructuring, net of tax ^(1,3,4)	0.17
Non-GAAP earnings per share range	\$0.33 - \$0.35
As of :	
April 3, 2009	
<u>Deferred revenue reconciliation (in millions)</u>	
GAAP deferred revenue range	\$2,972 - \$3,072
Add back:	
Deferred revenue related to acquisitions ⁽¹⁾	28
Non-GAAP deferred revenue range	\$3,000 - \$3,100

We believe the presentation of these non-GAAP financial measures, when taken together with the corresponding GAAP financial measures, provide meaningful supplemental information regarding the Company's operating performance by excluding certain items that may not be indicative of the Company's core business, operating results or future outlook. Our management uses, and believes that investors benefit from referring to, these non-GAAP financial measures in assessing the Company's operating results both as a consolidated entity and at the business unit level, as well as when planning, forecasting and analyzing future periods. We believe that these non-GAAP financial measures also facilitate comparisons of the Company's performance to prior periods and to our peers. These measures are used by our management for the reasons associated with each of the adjusting items as described below.

(1) *Fair value adjustment to deferred revenue.* We have completed several business combinations and acquisitions for a variety of strategic purposes over the past few years. As is the case with our existing business, at the time of acquisition, these acquired businesses recorded deferred revenue related to past transactions for which revenue would be recognized in future periods as revenue recognition criteria are satisfied. The purchase accounting entries for these acquisitions require us to write down a portion of this deferred revenue to its then current fair value. Consequently, in post acquisition periods, we do not recognize the full amount of this deferred revenue. When measuring the performance of our business, however, we add back non-GAAP revenue associated with certain types of deferred revenue that were excluded as a result of these purchase accounting adjustments, as we believe that this provides information about the operating impact of the acquired businesses in a manner consistent with the revenue recognition for our pre-existing products and services. We believe that the inclusion of this revenue and deferred revenue provides useful information to our management, as well as to investors.

(2) *Stock-based compensation.* Consists of expenses for employee stock options, restricted stock units, restricted stock awards and our employee stock purchase plan determined in accordance with Statement of Financial Accounting Standards ("SFAS") No. 123R, Share-Based Payment. When evaluating the performance of our individual business units and developing short and long term plans, we do not consider stock-based compensation charges. Our management team is held accountable for cash-based compensation, but we believe that management is limited in its ability to project the impact of stock-based compensation and accordingly is not held accountable for its impact on our operating results. Although stock-based compensation is necessary to attract and retain quality employees, our consideration of stock-based compensation places its primary emphasis on overall shareholder dilution rather than the accounting charges associated with such grants. In addition, for comparability purposes, we believe it is useful to provide a non-GAAP financial measure that excludes stock-based compensation in order to better understand the long-term performance of our core business and to facilitate the comparison of our results to the results of our peer companies. Furthermore, unlike cash-based compensation, the value of stock-based compensation is determined using a complex formula that incorporates factors, such as market volatility, that are beyond our control. Further, we believe it is useful to investors to understand the impact of SFAS No. 123R to our results of operations.

(3) *Amortization of acquired product rights and other intangible assets.* When conducting internal development of intangible assets, accounting rules require that we expense the costs as incurred. In the case of acquired businesses, however, we are required to allocate a portion of the purchase price to the accounting value assigned to intangible assets acquired and amortize this amount over the estimated useful lives of the acquired intangibles. The acquired company, in most cases, has itself previously expensed the costs incurred to develop the acquired intangible assets, and the purchase price allocated to these assets is not necessarily reflective of the cost we would incur in developing the intangible asset. We eliminate these amortization charges from our non-GAAP operating results to provide better comparability of pre and post-acquisition operating results and comparability to results of businesses utilizing internally developed intangible assets.

(4) *Restructuring.* We have engaged in various restructuring activities over the past several years that have resulted in costs associated with severance, benefits, outplacement services, and excess facilities. Each restructuring has been a discrete event based on a unique set of business objectives or circumstances, and each has differed from the others in terms of its operational implementation, business impact and scope. We do not engage in restructuring activities in the ordinary course of business. While our operations previously benefited from the employees and facilities covered by our various restructuring charges, these employees and facilities have benefited different parts of our business in different ways, and the amount of these charges has varied significantly from period to period. We believe that it is important to understand these charges; however, we do not believe that these charges are indicative of future operating results and that investors benefit from an understanding of our operating results without giving effect to them.