

FINAL TRANSCRIPT

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SYMC - Symantec CEO Transition

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PRESENTATION

Operator

Good day, and welcome to the Symantec CEO Transition Conference Call. Today's call is being recorded. At this time, I'd like to turn the call over to Ms. Helyn Corcos, Vice President of Investor Relations. Please go ahead, ma'am

Helyn Corcos - *Symantec - VP, IR*

Good afternoon, and thank you for joining us to discuss the leadership transition we are commencing today. With me today are John Thompson, Symantec's Chairman of the Board and Chief Executive Officer, and Enrique Salem, Chief Operating Officer and the future CEO of Symantec. In a moment, I will turn the call over to John. He will discuss his rationale for retiring and some insight into the board process and then Enrique will provide his perspective on what to expect during the transition period. This will be followed by a question and answer session.

Today's call is being recorded and will be available for replay on Symantec's investor relation home page. Also, a copy of today's press release is available on our website and a copy of today's prepared comments will be available on the investor relations website shortly after the call is completed.

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I would like to remind everyone that some of the information discussed on this call may 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 US Securities and Exchange Commission. Symantec assumes no obligation to update any forward-looking statements. With that, I would like to turn the call over to our CEO, Mr. John Thompson.

John Thompson - Symantec - Chairman, CEO

Thank you Helyn. As you already know, earlier today the company announced that on April 4th, at the beginning of our new fiscal year, I will be turning over the leadership of Symantec to Enrique. I will remain as the non-executive Chairman of the Board and Enrique will join the Board. Let me take a few minutes to talk about my decision to retire at this time and provide some background on the reasons why the Board and I are confident that Enrique is the ideal successor as CEO of Symantec.

I have always believed that planning for succession and ensuring a seamless transition was one of the most important parts of my role as CEO of Symantec. I've been working with the board on a thoughtful succession plan for two years, and I am very pleased that the process has reached another important milestone with today's announcement of Enrique as our next CEO. The past ten years have been the highlight of my career and I'm pleased with the confidence the board has shown in me throughout my tenure. As many of you know, the greatest satisfaction of any leader is to watch a company evolve and increase its impact on so many people around the world. Working at Symantec has exceeded all my expectations and it is with great pride and a strong sense of accomplishment that I start to transition my responsibilities to another progressive leader who can continue this growth and, I'm sorry, continue this growth and our industry leadership.

I've always thought that ten years was about the right amount of time for any CEO to stay at the helm of a company and I'll reach that milestone in April. Therefore, now is the ideal time to officially start the transition process and to bring a new leader who can shape Symantec's direction for many years to come. Symantec is fortunate to have such an experienced executive management team in place, a broad product portfolio, and market leadership in every business segment. I am confident Enrique will lead Symantec's next wave of innovation and growth which will enable the company to continue to deliver strong financial results. During my time as CEO, Enrique has been an outstanding business partner and a significant part of Symantec's success. He has extensive knowledge of our products and services, strong relationships with our employees, customers and partners, exceptional operational leadership, and has worked closely with me on shaping our corporate strategy.

Since re-joining Symantec in 2004, Enrique has led a variety of functions including the Security Products and Solutions Group, the Consumer Business Unit and Worldwide Sales & Marketing. In January of 2008, we asked him to assume the role of chief operating officer responsible for the company's day to day operations. The board and I viewed Enrique's appointment to COO as an integral step in our succession planning process and we have been extremely pleased with his performance. As a result, we believe this announcement is timely and we are confident that this transition will be seamless.

As COO, Enrique has established a number of important things, accomplished, I'm sorry, a number of important things for our company, including the drive for stronger cross-product integration and leveraging R&D investments across the portfolio. There are a number of significant proof points that underpin his recent accomplishments. First, as a result of his leadership, we're leveraging the zero impact performance technology currently shipping in our consumer security products into our enterprise security offerings.

Next, we have launched the Open Collaborative Architecture to integrate technologies across the Symantec portfolio. And finally, we're doing a better job of sharing technologies between mid-market and large enterprise data protection solutions to provide more innovative solutions across all buyer segments. In addition, Enrique has focused on improving our execution by aligning the company behind a common set of metrics that promote cross-team collaboration. These include cross-selling and up-selling opportunities, developing programs that make it easier for customers and partners to do business with Symantec,

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and extending Symantec's leadership position in security, data protection, and storage management to continue providing customers with industry-leading solutions.

In total, Enrique is a strong leader with extensive knowledge of our company and its prospects and a proven record of solid execution. During this transition period, Enrique and I will work closely together to ensure a smooth transition for employees, customers, and shareholders. Once the transition is complete, I will continue to work with Enrique and the Symantec board to advise them on anything they may need to ensure our success.

In closing, my tenure at Symantec has been an incredibly satisfying experience. I want to personally thank Team Symantec, our customers, our shareholders for their support of me over the years. It's been an honor for me to work with you during my time at the helm of this company. With that, it's all yours, man. I'll turn it over to Enrique.

Enrique Salem - Symantec - COO

Thank you John. I'm honored to be named the next CEO of Symantec and for the opportunity to build on your accomplishments. I am also humbled by the confidence John and the board of directors have shown by giving me this new responsibility. John's vision during the past ten years has helped transform Symantec into the company that it is today. Through strong product development and strategic acquisitions, John has successfully scaled the company to deliver security, storage, and systems management solutions to a diverse customer base. In addition, he has put in place the framework for continued growth and success. I know I speak on behalf of the board and every Symantec employee when I say that we are indebted to John for his leadership and his profound impact not only on Symantec, but on our industry.

For me personally, John has been an important mentor, consistently providing me with new opportunities as the company has grown. Partnering with him over the past four years to create and drive the strategy for acquiring market leading companies and technologies has given me a unique appreciation of his vision, drive and impact across the entire industry. Also, working with John to recruit and develop the current executive management team has given me new insights into how to build a world-class leadership organization. I have learned a tremendous amount from him as he has prepared me for this role, and I will continue to rely on him for advice and input through his transition period and beyond. I obviously have a close working relationship with the executive management team, and I am particularly pleased with the steps we've taken to integrate our market leading technologies, to deliver innovative new products into the market, to improve our go-to-market activities, as well as improved efficiency through diligent cost management.

Together, these will result in a stronger organization, one that we will be ready to capitalize on opportunities that emerge as the economy strengthens. We continue to execute on our strategy to secure and manage the world's information and to address the critical security, data protection, and storage needs of our customers. There are several reasons why I believe that Symantec's best days are ahead. We have a team of motivated employees, a terrific customer base, and three tremendous businesses. As a result, we are the leader in security, protecting more endpoints against more risks more completely and efficiently than any other company in the world. We are also number one in data protection and storage management, backing up more data volumes than ever before.

Finally, we are leveraging our franchise businesses with high growth technology capabilities that should continue to drive incremental cross selling opportunities. These are the building blocks for our future. My commitment is to build upon these strengths and continue to drive the necessary changes in today's competitive environment. I am confident that we can extend Symantec's leadership position in the years to come. That is why I truly believe that Symantec's best days lay ahead.

In closing, I do want to again thank John for his tremendous contributions, for the drive he has demonstrated, and for transforming our company. Personally, I thank John for the mentorship he has provided me over the years. I'm excited about the opportunity to work with my colleagues and the board to lead this company successfully into the future. In addition, I look forward to working

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with all of you more closely. Lastly, I am more confident than ever about Symantec's ability to innovate and our prospects for future growth. Now, John and I are happy to answer any of your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Brad Zelnick, Banc of America.

Brad Zelnick - Banc of America Securities - Analyst

Good afternoon, and thank you for taking my question. Just curious, were any other candidates vetted by the board? And a question for, to follow up to that, who will backfill for Enrique? Are there any plans along those lines? Thank you.

John Thompson - Symantec - Chairman, CEO

The process that the board undertook, Brad, extended over a two year period of time. And they certainly did consider outside candidates as a part of that process. And we all became convinced that the best candidate was the one right here who knew our company, had good relationships with our employees and customers and partners, and clearly understood strategically what we were trying to accomplish. So I'm confident the process that the board undertook led to the right leader for Symantec and the right leader for our shareholders.

As it relates to Enrique's current role, I think through this transition period he will have to decide how he wants to organize the Company and I think it would be a bit premature to get ahead of that as he thinks through that over the course of the next few months.

Brad Zelnick - Banc of America Securities - Analyst

Well congratulations to you both, and thank you.

Operator

John Difucci, JPMorgan.

John Difucci - JPMorgan - Analyst

Thank you. First, John, congratulations on the very meaningful impact you've had on the industry and in building what has become a very significant business under your leadership.

John Thompson - Symantec - Chairman, CEO

Thanks, John.

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John Difucci - JPMorgan - Analyst

And Enrique, maybe this is premature and you'll be working with John here for awhile, but can you give us any idea as to what actions you might make either leading up to or soon after the transition? What areas of focus you might, what areas you might be more focused on in perhaps squeezing some efficiencies out of the business or whatever it is that you'll be looking at?

Enrique Salem - Symantec - COO

Yes, John, I think when you look at it, our goal right now is, we've got a very clear vision which is around securing and managing the world's information. And the time that I have spent over the last nine months with our customers and partners, that make no mistake about it, that is central to what they're doing in their organizations. So we will continue to execute against that vision. And quite frankly look at how do we accelerate what we've done to improve our capabilities to help our customers deliver on that vision.

I think when you look at what are the other things we're going to do, I think I've been here now for a couple of years and we've had an opportunity to start putting some metrics in place to measure our performance around customer loyalty, market share, and so forth. And so I'm not looking right now to make any changes around those metrics. I do think we can accelerate some of the work we've done on looking at our go to market strategies, and I think as we look out to the next couple of years, there's a number of opportunities that the management team and I will look at that can help drive increased growth for the company because that is the priority. How do we drive better revenue growth as a market leader in two quite frankly significant markets, one being security and the other being the backup and recovery storage management. These are huge markets that should be able to deliver better growth to this company.

John Difucci - JPMorgan - Analyst

If I might, just a quick follow up to that, Enrique. Are you also going to be looking at-- I mean given the recent macro backdrop here which obviously seems to be somewhat tenuous, are you going to be looking at perhaps measuring Symantec against your peers and trying to look at internal operational efficiencies? I know you've been through restructuring through the last few years, but will there be more of that or at least a look into that?

Enrique Salem - Symantec - COO

As we look at it, we are going to continue to look at the industry benchmarks and where we fit against those benchmarks. And there's a couple of areas that I think we've already highlighted to you on, on a couple of calls, John, where we think there are opportunities for us to drive efficiencies. I think the management team and I have been already on that trajectory and I think you've seen us deliver consistently on improvements around the margin structure or the cost structure of this Company. And there's no reason why that should change. Now you phrased it correctly, because you said given the current economic background. I think there's always going to be a number of things that we have to continue to consider, but our goal is to continue to improve the cost structure of this Company and there are absolutely opportunities to do so.

John Difucci - JPMorgan - Analyst

Thanks a lot, guys.

Operator

Brent Thill, Citibank.

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Brent Thill - Citigroup - Analyst

Thanks. Congratulations, Enrique. I guess the question is, halfway through the quarter, is there any sense in terms of what you commented-- I know you just commented the end of October, but any sense on change of climate that you're seeing? I guess one of the big questions that has come up is in the consumer business on the -- one of your competitors posted pretty different results than you did in your consumer business and I was wondering if you can just spend a minute commenting on your view on how you think about that business going forward? Thanks.

John Thompson - Symantec - Chairman, CEO

Well, Brent, the reason for this call was to talk about our leadership transition, not to get into our forecast for the quarter or update our guidance or anything like that. So I'd rather not have that become the issue. I'd rather us all feel good about Enrique, what he's done for our company over the last four years that he's been here, and the board's confidence in him as the next leader of our Company. We'll talk to you about our results in our January call.

Operator

(Operator Instructions). Adam Holt, Morgan Stanley.

Adam Holt - Morgan Stanley - Analyst

Good afternoon. I'll also echo the congratulations. So two quick questions for me. Obviously the end of the year has significance from a timing perspective, but given that this process has been underway for two years, anything else we should read into the timing of the announcement? And then secondarily, as we think about the in-practice transitional team, maybe just walk us through how you envision decision making processes and really what in practice we should expect to see from over the next couple of quarters as Enrique moves into the role and John moves out?

John Thompson - Symantec - Chairman, CEO

Adam, we've had a project that we've been running around here that was euphemistically referred to as Project Texas now for about nine or ten months. And it was more around the idea of recognizing that we were going to transition the leadership of the company. Because I've always believed ten years was long enough to sit in this role, when is the optimal time to announce? And back I'd say six, eight months ago, we concluded that the optimal time to announce was not on an earnings call, and make sure that the transition could match as best we could a fiscal year boundary. And the best practices research that we had done suggested that giving investors and employees and customers somewhere in the range of three to six months was the optimal transition period. Hence, that's what got us to a November announcement date independent of the broad macro economic environment that was going on. And the board and I concluded a few weeks ago that we weren't going to allow changes in the macroeconomic environment to change what had been a working plan that we've had in place for quite some time.

Now as it relates to the transition period, the first thing I'm going to do is dump everything on my calendar on Enrique's calendar. And we're going to make sure that we can look at those things that more appropriately should reflect him as the incoming CEO. I would expect that over the course of the next couple of months, he and I will probably do more double teaming of things than we have over the last year. Where we wanted to make sure over the last year that we didn't show up in the same place at the same time, however we do think that that might be appropriate over the course of the next 60 days or so.

But by the time we get through this quarter and announce our earnings for this quarter, we should be well into the transition phase. Enrique I would suspect by then will have had great thoughts and ideas on what the organizational structure should

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look like. And some time between now and then or if not, shortly thereafter, we'll start to make changes based upon his view of how he wants to run Symantec.

Adam Holt - *Morgan Stanley - Analyst*

Terrific. Thank you.

Enrique Salem - *Symantec - COO*

And Adam, if I can just add, one thing to add is you asked about the transition team or the team. Look, we've got a fabulous set of folks in lots of key jobs right now. And if you look at it, we've been developing a range of these people to take on bigger responsibilities at the Company. And so I fully expect that through this process we'll organize ourselves in a way that really highlights some of that talent that many of you probably haven't yet had an opportunity to interact with but who we have been spending a lot of time with to make sure that as the Company grows and as we go through transitions like the one we're announcing today, that we are prepared to capitalize on the opportunities in the marketplace. And make no mistake about it, our goal is very clear. Through this period, we feel very confident that at the end of this malaise that we're in, we're going to gain market share. We absolutely are and that is something that we're going to drive to do over the coming quarters and years.

Adam Holt - *Morgan Stanley - Analyst*

Terrific. Thank you.

Operator

Sarah Friar, Goldman Sachs.

Sarah Friar - *Goldman Sachs - Analyst*

Thanks a lot. Folks, I'm sorry if you covered this, I missed the opening remarks. But Enrique, one thing that I think has been good is having a COO role in place since execution has tended to dog Symantec over the last couple of years particularly with the Veritas acquisition. What is your view in terms of keeping that sort of hierarchy of someone who's more the operational role while you take on the CEO responsibilities? And how do you think about kind of continuing to improve the execution broadly?

Enrique Salem - *Symantec - COO*

Yes, I think, Sarah, I don't want to necessarily design a work structure today. I think as we've been looking at it, there's a number of moves that we'll consider over the next four to six months. And you highlight the right issue which is the continued improvement around execution. And for us, what we've been doing to try and make sure that that was indeed the case, is making sure that the priorities across the Company are very, very clear. And so make no mistake about it, we absolutely will continue to drive operational improvement. And that will show up not only in revenue performance, cost structure improvements, but also in market share. And so as far as having a COO role or not, let's design an organization that, as you say, continues to drive improved execution. Because that's what matters to all of us.

Sarah Friar - *Goldman Sachs - Analyst*

Okay, great. Congrats.

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Enrique Salem - *Symantec - COO*

Thank you, Sarah.

Operator

Walter Pritchard, Cowen & Company.

Walter Pritchard - *Cowen & Company - Analyst*

Most of my questions have been answered. But, Enrique, I just wanted to get a sense of Symantec has historically been quite an acquisitive Company. And you've been, as of late, quite acquisitive as well. Just wondering if you can lend any perspective or any of your perspective on just kind of the general acquisition strategy and in particular how your view may be unique to the management team overall as they form a consensus around acquisitions.

Enrique Salem - *Symantec - COO*

I think if you look at it, Walter, we have used M&A in a number of different capacities. We've used it to enhance our product portfolio, we've used it to get into new businesses, we've used it to bring in new customers into our customer base. And I expect that we will continue to look at opportunities that do those three things There's no reason not to. And that's where the strength of our balance sheet really comes in, where we have an opportunity to spend some amount of money each year to make our business stronger. I think one of the points for us though is, again, I think I've mentioned it a couple of times, but I think it's important that Symantec continue to look at how do we strengthen our franchise businesses and how do we gain market share. And I think that M&A is an important tool in our set of capabilities that we will continue to use.

Now as we've always done, we will have a very disciplined process around not only identifying targets, deciding which ones fit, and then integrating them. And hopefully what you've seen with recent acquisitions like Altiris and Vontu is that they are performing at or better than planned. And I think we've got an improved process on how we run M&A. And I expect that to continue.

Walter Pritchard - *Cowen & Company - Analyst*

Great. Thanks and congrats on the new role.

Enrique Salem - *Symantec - COO*

Thanks, Walter.

Operator

Garrett Bekker, Merrill Lynch.

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Garrett Bekker - Merrill Lynch - Analyst

Thanks for taking my question. I think most of mine have been answered as well. Maybe just back on the backfilling side. If you are potentially looking to backfill a COO or some of the other management roles, would you be more likely to stay internally for that, Enrique, or is there possibility you could look externally to fill some of those positions?

Enrique Salem - Symantec - COO

I think we're always going to look at both. I think we've got a great team internally and we've got a number of development programs that we have been putting in place to develop the next generation of leaders at our Company. And I expect that we will absolutely leverage the bench strength that we have developed. But I wouldn't rule out that there may be some additional talent that we bring on from the outside that may bring a set of new experiences. Or as we enter new markets, whether they be geographies or product lines, that we won't augment our current team with folks who have a set of competencies that have been developed in either different companies or different industries.

Garrett Bekker - Merrill Lynch - Analyst

Great. And will that process begin now or will that wait until the end of the year?

Enrique Salem - Symantec - COO

I think that's been an ongoing process where John and I have been looking at what does this organization look like and where do we source the talent that's required to run it. Make no mistake about it though, I feel very confident in two things. One, that we've got a great management team here. And two, that we won't have any problem attracting the talent that we would want if we so choose to go that route.

Garrett Bekker - Merrill Lynch - Analyst

Great. Thanks very much and congratulations.

Helyn Corcos - Symantec - VP, IR

Tom, we have time for one more question.

Operator

Michael Turits, Raymond James.

Michael Turits - Raymond James - Analyst

Quick question and apologize for background noise. Congratulations to both you guys. The outlook for hardware shipments on the PC side has deteriorated quite a bit in the last few weeks by many forecasters. Any tweaks at all to strategy our outlook in that kind of environment?

John Thompson - Symantec - Chairman, CEO

No.

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Enrique Salem - Symantec - COO

I would echo that.

Michael Turits - Raymond James - Analyst

Thanks very much.

Operator

And Mr. Thompson, I'll turn the call back over to you for any closing remarks.

John Thompson - Symantec - Chairman, CEO

Okay. It's been a true honor to lead Symantec over the last ten years. Well, it will be ten years by the time we reach April. It's been equally gratifying to work with Enrique and prepare him for his next big challenge. The board and I are confident that he is the right leader for our team and will create the kind of value that you have come to expect of all of the companies that play in this space. And so I thank you very much for your support of me and I thank you in advance for the support that you're going to give Enrique. Thanks for joining the call.

Operator

This does conclude today's conference call. We appreciate your participation. You may disconnect at this time.

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