

Symantec's Fiscal 2007 First Quarter Supplemental Information

SUMMARY (in thousands)

| Revenue and Earnings Results | Jun-06Q | Mar-06Q | Jun-05Q | Y/Y Growth | Q/Q Growth |
|---|-------------|-------------|-------------|------------|------------|
| Non-GAAP Revenue (includes deferred revenue writedown)*: | \$1,281,368 | \$1,299,867 | \$1,259,200 | 2% | -1% |
| GAAP Revenue (excludes deferred revenue writedown)*: (Jun-05 is Symantec only) | \$1,259,086 | \$1,238,560 | \$699,942 | 80% | 2% |
| Non-GAAP EPS*: | \$0.24 | \$0.26 | \$0.25 | -4% | -8% |
| GAAP EPS (Jun-05 is Symantec only)*: | \$0.09 | \$0.11 | \$0.27 | -67% | -18% |

| Performance by Business Unit - Non-GAAP* | Jun-06Q | Mar-06Q | Jun-05Q | Y/Y Growth | Q/Q Growth | Jun-06 % of Total Revenue |
|---|------------------|------------------|------------------|------------|------------|---------------------------|
| Security & Data Management | \$487,749 | \$512,005 | \$498,426 | -2% | -5% | 38% |
| Data Center Management | \$350,915 | \$367,428 | \$349,286 | 0% | -4% | 27% |
| Services | \$58,117 | \$52,992 | \$49,409 | 18% | 10% | 5% |
| Total Enterprise | \$896,781 | \$932,425 | \$897,121 | 0% | -4% | 70% |
| Consumer Products | \$384,814 | \$367,565 | \$361,884 | 6% | 5% | 30% |
| Other | (\$227) | (\$123) | \$195 | -216% | 85% | 0% |

| Geographic Mix - Non-GAAP* | Jun-06Q | Mar-06Q | Jun-05Q | Y/Y Growth | Q/Q Growth | Jun-06 % of Total Revenue |
|--------------------------------------|-----------|-----------|-----------|------------|------------|---------------------------|
| International | \$648,058 | \$650,002 | \$618,400 | 5% | 0% | 51% |
| US | \$633,310 | \$649,865 | \$640,800 | -1% | -3% | 49% |
| Americas (US, Latin America, Canada) | \$701,634 | \$714,518 | \$705,888 | -1% | -2% | 55% |
| EMEA | \$403,044 | \$414,800 | \$400,359 | 1% | -3% | 31% |
| Asia Pacific & Japan | \$176,690 | \$170,549 | \$152,953 | 16% | 4% | 14% |

| Expenses and Profitability - Non-GAAP* | Jun-06Q | Mar-06Q | Jun-05Q |
|--|-----------|-----------|-----------|
| Gross Margin: | 83.7% | 85.0% | 84.7% |
| Operating Expenses before all acquisition related and OTC: | \$725,328 | \$703,913 | \$640,786 |
| Operating Expenses as a % of total revenue: | 57% | 54% | 51% |
| Operating Income: | \$346,859 | \$401,569 | \$426,227 |
| Operating Margin: | 27% | 31% | 34% |
| Net Income before all acquisition related and OTC: | \$247,699 | \$278,780 | \$310,629 |
| Fully Diluted Shares Outstanding: | 1,048,833 | 1,064,293 | 1,224,123 |

| Balance Sheet & Cash Flow Metrics | Jun-06Q | Mar-06Q | Jun-05Q | Y/Y Growth | Q/Q Growth |
|--|-------------|-------------|-------------|------------|------------|
| Cash position (including short-term investments): (Jun-05 is Symantec only) | \$4,099,397 | \$2,865,802 | \$3,351,149 | 22% | 43% |

Symantec's Fiscal 2007 First Quarter Supplemental Information

| | | | | | |
|---|----------------------------|---------------------------|-----------------------|------------|-----------|
| DSO (Jun-05 is Symantec only): | <u>38 days</u> | <u>47 days</u> | <u>31 days</u> | | |
| Non-GAAP Deferred Revenue*: | <u>\$2,244,553</u> | <u>\$2,217,855</u> | <u>\$1,787,899</u> | <u>26%</u> | <u>1%</u> |
| GAAP Deferred Revenue (Jun-05 is Symantec only*): | <u>\$2,209,305</u> | <u>\$2,163,452</u> | <u>\$1,268,399</u> | <u>74%</u> | <u>2%</u> |
| Capital Expenditures (Jun-05 is Symantec only): | <u>\$125 - \$145 m</u> | <u>\$64,940</u> | <u>\$27,576</u> | | |
| Cash Flow from Operating Activities: (Jun-05 is Symantec only) | <u>\$340 - \$360 m</u> | <u>\$461,718</u> | <u>\$211,724</u> | | |
| Stock Repurchase - number of shares purchased: | <u>56.6 million shares</u> | <u>9.1 million shares</u> | <u>238,500 shares</u> | | |

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 accordance with GAAP.

Historical Revenue by Segment - Non-GAAP

Quarterly Revenue by Segment for Fiscal Year 2007:

| (in thousands) | Security & Data Management | Data Center Management | Consumer | Services | Other* | Total Company |
|----------------|----------------------------|------------------------|-----------|----------|---------|---------------|
| Jun-06 | \$487,749 | \$350,915 | \$384,814 | \$58,117 | (\$227) | \$1,281,368 |
| Sep-06 | | | | | | |
| Dec-06 | | | | | | |
| Mar-07 | | | | | | |
| FY-07 | \$487,749 | \$350,915 | \$384,814 | \$58,117 | (\$227) | \$1,281,368 |

Quarterly Revenue by Segment for Fiscal Year 2006:

| (in thousands) | Security & Data Management | Data Center Management | Consumer | Services | Other* | Total Company |
|----------------|----------------------------|------------------------|-------------|-----------|---------|---------------|
| Jun-05 | \$498,426 | \$349,286 | \$361,884 | \$49,409 | \$195 | \$1,259,200 |
| Sep-05 | \$477,749 | \$315,973 | \$351,029 | \$47,771 | (\$378) | \$1,192,144 |
| Dec-05 | \$504,072 | \$370,910 | \$329,001 | \$48,708 | \$536 | \$1,253,227 |
| Mar-06 | \$512,005 | \$367,428 | \$367,565 | \$52,992 | (\$123) | \$1,299,867 |
| FY-06 | \$1,992,252 | \$1,403,597 | \$1,409,479 | \$198,880 | \$230 | \$5,004,438 |

Quarterly Revenue by Segment for Fiscal Year 2005:

| (in thousands) | Security & Data Management | Data Center Management | Consumer | Services | Other* | Total Company |
|----------------|----------------------------|------------------------|-------------|-----------|---------|---------------|
| Jun-04 | \$421,982 | \$300,334 | \$282,865 | \$32,671 | \$4,529 | \$1,042,381 |
| Sep-04 | \$441,613 | \$303,564 | \$321,076 | \$36,458 | \$636 | \$1,103,347 |
| Dec-04 | \$451,583 | \$330,414 | \$371,405 | \$38,297 | \$183 | \$1,191,882 |
| Mar-05 | \$495,896 | \$376,358 | \$367,616 | \$47,236 | \$7 | \$1,287,113 |
| FY-05 | \$1,811,074 | \$1,310,670 | \$1,342,962 | \$154,662 | \$5,355 | \$4,624,723 |

*The other category contains divested product lines and/or product lines nearing the end of their life cycle.

See item 7 of our FY2006 10k.

Historical Revenue by Geography - Non-GAAP

Quarterly Revenue by Geography for Fiscal Year 2007:

| (in thousands) | Americas* | EMEA | Asia Pacific & Japan | Total Company |
|----------------|-----------|-----------|----------------------|---------------|
| Jun-06 | \$701,634 | \$403,044 | \$176,690 | \$1,281,368 |
| Sep-06 | | | | |
| Dec-06 | | | | |
| Mar-07 | | | | |
| FY-07 | \$701,634 | \$403,044 | \$176,690 | \$1,281,368 |

Quarterly Revenue by Geography for Fiscal Year 2006:

| (in thousands) | Americas* | EMEA | Asia Pacific & Japan | Total Company |
|----------------|-------------|-------------|----------------------|---------------|
| Jun-05 | \$705,888 | \$400,359 | \$152,953 | \$1,259,200 |
| Sep-05 | \$671,806 | \$360,303 | \$160,035 | \$1,192,144 |
| Dec-05 | \$694,413 | \$398,387 | \$160,427 | \$1,253,227 |
| Mar-06 | \$714,518 | \$414,800 | \$170,549 | \$1,299,867 |
| FY-06 | \$2,786,625 | \$1,573,849 | \$643,964 | \$5,004,438 |

Quarterly Revenue by Geography for Fiscal Year 2005:

| (in thousands) | Americas* | EMEA | Asia Pacific & Japan | Total Company |
|-----------------------|--------------------|--------------------|-------------------------------------|--------------------------|
| Jun-04 | \$624,243 | \$297,352 | \$120,786 | \$1,042,381 |
| Sep-04 | \$650,585 | \$324,450 | \$128,312 | \$1,103,347 |
| Dec-04 | \$677,615 | \$369,726 | \$144,541 | \$1,191,882 |
| Mar-05 | \$728,675 | \$401,282 | \$157,156 | \$1,287,113 |
| FY-05 | \$2,681,118 | \$1,392,810 | \$550,795 | \$4,624,723 |

*The Americas include: the United States, Latin America and Canada.

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 be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP.

Big Deal Summary

| | Jun-06 | Mar-06 | Dec-05 | Sep-05 |
|---------------------|---------------|---------------|---------------|---------------|
| greater than \$300K | 280 | 384 | 384 | 243 |
| greater than \$1M | 63 | 91 | 92 | 67 |

SYMANTEC CORPORATION
Reconciliation of GAAP Revenue Components to Non-GAAP Revenue Components
(In thousands, except per share data)
(Unaudited)

| | Three Months Ended June 30, 2006 | | | | | Three Months Ended June 30, 2005 | | | | |
|------------------------------|----------------------------------|-------------------------|----------|--------------|--|----------------------------------|-------------------|-------------------------|----------------------|--------------|
| | GAAP Symantec | Non-GAAP Adjustments | | Non-GAAP | | GAAP Symantec* | GAAP VERITAS** | Non-GAAP Adjustments | Combined Non-GAAP | |
| Net Revenues (1) | \$ 1,259,086 | \$ 22,282 | A | \$ 1,281,368 | | \$ 699,942 | \$ 559,258 | B | \$ - | \$ 1,259,200 |
| Revenue By Segment: | | | | | | | | | | |
| Security and Data Management | \$ 480,872 | \$ 6,877 | A | \$ 487,749 | | \$ 325,531 | \$ 172,895 | B | \$ - | \$ 498,426 |
| Data Center Management | \$ 335,714 | \$ 15,201 | A | \$ 350,915 | | \$ - | \$ 349,286 | B | \$ - | \$ 349,286 |
| Services | \$ 57,915 | \$ 202 | A | \$ 58,117 | | \$ 12,382 | \$ 37,027 | B | \$ - | \$ 49,409 |
| Consumer | \$ 384,814 | \$ - | A | \$ 384,814 | | \$ 361,884 | \$ - | B | \$ - | \$ 361,884 |
| Other | \$ (229) | \$ 2 | A | \$ (227) | | \$ 145 | \$ 50 | B | \$ - | \$ 195 |
| Revenue by Geography: | | | | | | | | | | |
| Americas | \$ 686,751 | \$ 14,883 | A | \$ 701,634 | | \$ 386,288 | \$ 319,600 | B | \$ - | \$ 705,888 |
| EMEA | \$ 398,292 | \$ 4,752 | A | \$ 403,044 | | \$ 217,755 | \$ 182,604 | B | \$ - | \$ 400,359 |
| Asia Pacific/Japan | \$ 174,043 | \$ 2,647 | A | \$ 176,690 | | \$ 95,899 | \$ 57,054 | B | \$ - | \$ 152,953 |
| Total International Revenue | \$ 639,652 | \$ 8,406 | A | \$ 648,058 | | \$ 353,518 | \$ 264,882 | B | \$ - | \$ 618,400 |

(*) Net revenues include Symantec's net revenues for the three months ended June 30, 2005.

(**) Net revenues include Veritas' net revenues for the three months ended March 31, 2005.

Footnotes:

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 be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP.

A To include Veritas' deferred revenue that was excluded as a result of adjustments to fair value.

B To include Veritas' historical results of operations for the three months ended March 31, 2005.

Symantec Corporation
Trended GAAP Financial Statements
(In thousands, except per share data)
(Unaudited)

| | Quarter Ended 30-Jun-06 | Fiscal 2006 | Quarter Ended | | | | Fiscal 2005 | Quarter Ended | | | |
|---|----------------------------|-------------------|-------------------|------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | | 31-Mar-06 | 31-Dec-05 | 30-Sep-05 | 30-Jun-05 | | 31-Mar-05 | 31-Dec-04 | 30-Sep-04 | 30-Jun-04 |
| Net revenues | \$ 1,259,086 | \$ 4,143,392 | \$ 1,238,560 | \$ 1,149,026 | \$ 1,055,864 | \$ 699,942 | \$ 2,582,849 | \$ 712,678 | \$ 695,224 | \$ 618,313 | \$ 556,634 |
| Cost of revenues: | | | | | | | | | | | |
| Cost of revenues | 213,162 | 667,579 | 194,385 | 183,442 | 183,970 | 105,782 | 403,215 | 110,026 | 108,163 | 96,015 | 89,011 |
| Amortization of acquired product rights | 87,611 | 314,290 | 88,769 | 85,036 | 129,472 | 11,013 | 48,894 | 11,105 | 13,335 | 13,204 | 11,250 |
| Total cost of revenues | 300,773 | 981,869 | 283,154 | 268,478 | 313,442 | 116,795 | 452,109 | 121,131 | 121,498 | 109,219 | 100,261 |
| Gross profit | 958,313 | 3,161,523 | 955,406 | 880,548 | 742,422 | 583,147 | 2,130,740 | 591,547 | 573,726 | 509,094 | 456,373 |
| Operating expenses: | | | | | | | | | | | |
| Sales and marketing | 464,437 | 1,500,027 | 444,798 | 437,183 | 406,131 | 211,915 | 845,022 | 228,158 | 226,800 | 202,132 | 187,932 |
| Research and development | 216,262 | 682,125 | 202,520 | 193,191 | 194,076 | 92,338 | 334,045 | 91,413 | 85,595 | 84,153 | 72,884 |
| General and administrative | 79,481 | 228,440 | 71,295 | 64,335 | 61,548 | 31,262 | 116,866 | 34,525 | 30,422 | 27,634 | 24,285 |
| Amortization of other intangible assets | 50,614 | 148,822 | 50,347 | 48,427 | 48,309 | 1,739 | 5,416 | 1,760 | 1,622 | 1,142 | 892 |
| Acquired in-process research and development | - | 285,100 | 1,100 | - | 284,000 | - | 3,480 | - | 1,218 | - | 2,262 |
| Restructuring | 13,258 | 24,918 | 4,426 | 15,566 | 1,452 | 3,474 | 2,776 | - | - | 1,916 | 860 |
| Integration | - | 15,926 | 587 | 2,185 | 5,253 | 7,901 | 3,494 | 3,494 | - | - | - |
| Patent settlement | - | 2,200 | - | - | - | 2,200 | 375 | 375 | - | - | - |
| Total operating expenses | 824,052 | 2,887,558 | 775,073 | 760,887 | 1,000,769 | 350,829 | 1,311,474 | 359,725 | 345,657 | 316,977 | 289,115 |
| Operating income (loss) | 134,261 | 273,965 | 180,333 | 119,661 | (258,347) | 232,318 | 819,266 | 231,822 | 228,069 | 192,117 | 167,258 |
| Interest and other income, net | 27,634 | 106,754 | 21,508 | 22,525 | 39,963 | 22,758 | 51,185 | 16,670 | 13,354 | 10,723 | 10,438 |
| Interest expense | (6,678) | (17,996) | (3,650) | (6,843) | (7,503) | - | (12,323) | - | (1,741) | (5,291) | (5,291) |
| Income before income taxes | 155,217 | 362,723 | 198,191 | 135,343 | (225,887) | 255,076 | 858,128 | 248,492 | 239,682 | 197,549 | 172,405 |
| Provision for income taxes | 60,426 | 205,871 | 79,378 | 44,609 | 25,441 | 56,443 | 321,969 | 128,810 | 76,105 | 61,926 | 55,128 |
| Net income (loss) | <u>\$ 94,791</u> | <u>\$ 156,852</u> | <u>\$ 118,813</u> | <u>\$ 90,734</u> | <u>\$ (251,328)</u> | <u>\$ 198,633</u> | <u>\$ 536,159</u> | <u>\$ 119,682</u> | <u>\$ 163,577</u> | <u>\$ 135,623</u> | <u>\$ 117,277</u> |
| Net income (loss) per share - diluted | \$ 0.09 | \$ 0.15 | \$ 0.11 | \$ 0.08 | \$ (0.21) | \$ 0.27 | \$ 0.74 | \$ 0.16 | \$ 0.22 | \$ 0.19 | \$ 0.16 |
| Shares used to compute net income per share - diluted | 1,048,833 | 1,025,856 | 1,064,293 | 1,096,609 | 1,172,130 | 737,211 | 738,245 | 738,413 | 742,446 | 736,538 | 735,852 |

NOTE: The above information reflects the financial results of Symantec Corporation. Symantec acquired Veritas Software Corporation on July 2, 2005. The results of operations of Veritas have been included in the Symantec results of operations beginning on July 2, 2005.

Symantec Corporation
Trended Non-GAAP Combined Statements of Operations
(In thousands, except per share data)
(Unaudited)

| | Quarter Ended 30-Jun-06 | Fiscal 2006 | Quarter Ended | | | | Fiscal 2005 | Quarter Ended | | | |
|---|----------------------------|---------------------|-------------------|-------------------|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|-------------------|
| | | | 31-Mar-06 | 31-Dec-05 | 30-Sep-05 | 30-Jun-05 | | 31-Mar-05 | 31-Dec-04 | 30-Sep-04 | 30-Jun-04 |
| Net revenues | \$ 1,281,368 | \$ 5,004,438 | \$ 1,299,867 | \$ 1,253,227 | \$ 1,192,144 | \$ 1,259,200 | \$ 4,624,723 | \$ 1,287,113 | \$ 1,191,882 | \$ 1,103,347 | \$ 1,042,381 |
| Cost of revenues | 209,181 | 753,984 | 194,385 | 183,442 | 183,970 | 192,187 | 710,623 | 192,402 | 182,141 | 171,789 | 164,291 |
| Gross profit | 1,072,187 | 4,250,454 | 1,105,482 | 1,069,785 | 1,008,174 | 1,067,013 | 3,914,100 | 1,094,711 | 1,009,741 | 931,558 | 878,090 |
| Operating expenses: | | | | | | | | | | | |
| Sales and marketing | 449,574 | 1,646,318 | 440,415 | 432,296 | 400,904 | 372,703 | 1,450,117 | 389,475 | 379,381 | 352,833 | 328,428 |
| Research and development | 201,300 | 755,519 | 197,083 | 186,924 | 186,556 | 184,956 | 675,685 | 184,895 | 172,063 | 166,963 | 151,764 |
| General and administrative | 74,454 | 268,377 | 66,415 | 60,981 | 57,854 | 83,127 | 307,407 | 83,955 | 79,026 | 73,536 | 70,890 |
| Total operating expenses | 725,328 | 2,670,214 | 703,913 | 680,201 | 645,314 | 640,786 | 2,433,209 | 658,325 | 630,470 | 593,332 | 551,082 |
| Operating income | 346,859 | 1,580,240 | 401,569 | 389,584 | 362,860 | 426,227 | 1,480,891 | 436,386 | 379,271 | 338,226 | 327,008 |
| Interest and other income, net | 27,634 | 122,286 | 21,508 | 22,525 | 39,963 | 38,290 | 104,031 | 34,091 | 27,015 | 21,161 | 21,764 |
| Interest expense | (6,678) | (25,705) | (3,650) | (6,843) | (7,503) | (7,709) | (46,766) | (8,753) | (10,707) | (13,802) | (13,504) |
| Income before income taxes | 367,815 | 1,676,821 | 419,427 | 405,266 | 395,320 | 456,808 | 1,538,156 | 461,724 | 395,579 | 345,585 | 335,268 |
| Provision for income taxes | 120,116 | 532,278 | 140,647 | 122,904 | 122,548 | 146,179 | 492,210 | 147,752 | 126,585 | 110,587 | 107,286 |
| Net income | <u>\$ 247,699</u> | <u>\$ 1,144,543</u> | <u>\$ 278,780</u> | <u>\$ 282,362</u> | <u>\$ 272,772</u> | <u>\$ 310,629</u> | <u>\$ 1,045,946</u> | <u>\$ 313,972</u> | <u>\$ 268,994</u> | <u>\$ 234,998</u> | <u>\$ 227,982</u> |
| Net income per share - diluted | \$ 0.24 | \$ 1.00 | \$ 0.26 | \$ 0.26 | \$ 0.23 | \$ 0.25 | \$ 0.86 | \$ 0.26 | \$ 0.22 | \$ 0.19 | \$ 0.19 |
| Shares used to compute net income per share - diluted | 1,048,833 | 1,147,519 | 1,064,293 | 1,096,609 | 1,205,052 | 1,224,123 | 1,231,731 | 1,222,931 | 1,234,505 | 1,233,840 | 1,236,032 |

NOTES:

The above information reflects the financial results of Symantec Corporation. Symantec acquired Veritas Software Corporation on July 2, 2005. The results of operations of Veritas have been included in the Symantec results of operations beginning on July 2, 2005.

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 be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP.

Symantec Corporation
Reconciliation of Non-GAAP Adjustments
Statements of Operations
(In thousands)
(Unaudited)

| | Quarter Ended 30-Jun-06 | Fiscal 2006 | Quarter Ended | | | | Fiscal | Quarter Ended | | | |
|---|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | | 31-Mar-06 | 31-Dec-05 | 30-Sep-05 | 30-Jun-05 | 2005 | 31-Mar-05 | 31-Dec-04 | 30-Sep-04 | 30-Jun-04 |
| NET REVENUES: | | | | | | | | | | | |
| GAAP net revenues | \$ 1,259,086 | \$ 4,143,392 | \$ 1,238,560 | \$ 1,149,026 | \$ 1,055,864 | \$ 699,942 | \$ 2,582,849 | \$ 712,678 | \$ 695,224 | \$ 618,313 | \$ 556,634 |
| Fair value adjustment to Veritas deferred revenue (A) | 22,282 | 301,788 | 61,307 | 104,201 | 136,280 | - | - | - | - | - | - |
| Veritas net revenue (H) | - | 559,258 | - | - | - | 559,258 | 2,041,874 | 574,435 | 496,658 | 485,034 | 485,747 |
| Non-GAAP net revenues | <u>\$ 1,281,368</u> | <u>\$ 5,004,438</u> | <u>\$ 1,299,867</u> | <u>\$ 1,253,227</u> | <u>\$ 1,192,144</u> | <u>\$ 1,259,200</u> | <u>\$ 4,624,723</u> | <u>\$ 1,287,113</u> | <u>\$ 1,191,882</u> | <u>\$ 1,103,347</u> | <u>\$ 1,042,381</u> |
| GROSS PROFIT: | | | | | | | | | | | |
| GAAP gross profit | \$ 958,313 | \$ 3,161,523 | \$ 955,406 | \$ 880,548 | \$ 742,422 | \$ 583,147 | \$ 2,130,740 | \$ 591,547 | \$ 573,726 | \$ 509,094 | \$ 456,373 |
| Fair value adjustment to Veritas deferred revenue (A) | 22,282 | 301,788 | 61,307 | 104,201 | 136,280 | - | - | - | - | - | - |
| Amortization of acquired product rights (B) | 87,611 | 386,441 | 88,769 | 85,036 | 129,472 | 83,164 | 383,398 | 83,256 | 85,486 | 85,355 | 129,301 |
| Stock-based compensation (M) | 3,981 | 901 | - | - | - | 901 | 3,604 | 901 | 901 | 901 | 901 |
| Integration (F) | - | 1,057 | - | - | - | 1,057 | - | - | - | - | - |
| Veritas gross profit (H) | - | 398,744 | - | - | - | 398,744 | 1,396,358 | 419,007 | 349,628 | 336,208 | 291,515 |
| Gross profit adjustment | 113,874 | 1,088,931 | 150,076 | 189,237 | 265,752 | 483,866 | 1,783,360 | 503,164 | 436,015 | 422,464 | 421,717 |
| Non-GAAP gross profit | <u>\$ 1,072,187</u> | <u>\$ 4,250,454</u> | <u>\$ 1,105,482</u> | <u>\$ 1,069,785</u> | <u>\$ 1,008,174</u> | <u>\$ 1,067,013</u> | <u>\$ 3,914,100</u> | <u>\$ 1,094,711</u> | <u>\$ 1,009,741</u> | <u>\$ 931,558</u> | <u>\$ 878,090</u> |
| OPERATING EXPENSES: | | | | | | | | | | | |
| GAAP operating expenses | \$ 824,052 | \$ 2,887,558 | \$ 775,073 | \$ 760,887 | \$ 1,000,769 | \$ 350,829 | \$ 1,311,474 | \$ 359,725 | \$ 345,657 | \$ 316,977 | \$ 289,115 |
| Executive incentive bonuses (C) | (1,974) | (10,472) | (5,241) | (2,179) | (3,052) | - | - | - | - | - | - |
| Stock-based compensation (M) | (32,878) | (42,695) | (9,459) | (12,329) | (13,389) | (7,518) | (23,456) | (7,577) | (5,774) | (5,372) | (4,733) |
| Acquired in-process research and development (D) | - | (285,100) | (1,100) | - | (284,000) | - | (3,480) | - | (1,218) | - | (2,262) |
| Restructuring (E) | (13,258) | (24,918) | (4,426) | (15,566) | (1,452) | (3,474) | 6,872 | - | 9,648 | (1,916) | (860) |
| Integration (F) | - | (26,546) | (587) | (2,185) | (5,253) | (18,521) | (3,494) | (3,494) | - | - | - |
| Veritas operating expenses (H) | - | 400,173 | - | - | - | 400,173 | 1,338,140 | 358,570 | 330,543 | 331,549 | 317,478 |
| Amortization of other intangible assets (I) | (50,614) | (195,586) | (50,347) | (48,427) | (48,309) | (48,503) | (192,472) | (48,524) | (48,386) | (47,906) | (47,656) |
| Patent settlement (J) | - | (2,200) | - | - | - | - | (375) | (375) | - | - | - |
| Proposed Veritas SEC legal settlement (L) | - | (30,000) | - | - | - | (30,000) | - | - | - | - | - |
| Operating expense adjustment | (98,724) | (217,344) | (71,160) | (80,686) | (355,455) | 289,957 | 1,121,735 | 298,600 | 284,813 | 276,355 | 261,967 |
| Non-GAAP operating expenses | <u>\$ 725,328</u> | <u>\$ 2,670,214</u> | <u>\$ 703,913</u> | <u>\$ 680,201</u> | <u>\$ 645,314</u> | <u>\$ 640,786</u> | <u>\$ 2,433,209</u> | <u>\$ 658,325</u> | <u>\$ 630,470</u> | <u>\$ 593,332</u> | <u>\$ 551,082</u> |
| OPERATING INCOME: | | | | | | | | | | | |
| GAAP operating income (loss) | \$ 134,261 | \$ 273,965 | \$ 180,333 | \$ 119,661 | \$ (258,347) | \$ 232,318 | \$ 819,266 | \$ 231,822 | \$ 228,069 | \$ 192,117 | \$ 167,258 |
| Gross profit adjustment | 113,874 | 1,088,931 | 150,076 | 189,237 | 265,752 | 483,866 | 1,783,360 | 503,164 | 436,015 | 422,464 | 421,717 |
| Operating expense adjustment | 98,724 | 217,344 | 71,160 | 80,686 | 355,455 | (289,957) | (1,121,735) | (298,600) | (284,813) | (276,355) | (261,967) |
| Non-GAAP operating income | <u>\$ 346,859</u> | <u>\$ 1,580,240</u> | <u>\$ 401,569</u> | <u>\$ 389,584</u> | <u>\$ 362,860</u> | <u>\$ 426,227</u> | <u>\$ 1,480,891</u> | <u>\$ 436,386</u> | <u>\$ 379,271</u> | <u>\$ 338,226</u> | <u>\$ 327,008</u> |
| NET INCOME (LOSS): | | | | | | | | | | | |
| GAAP net income (loss) | \$ 94,791 | \$ 156,852 | \$ 118,813 | \$ 90,734 | \$ (251,328) | \$ 198,633 | \$ 536,159 | \$ 119,682 | \$ 163,577 | \$ 135,623 | \$ 117,277 |
| Gross profit adjustment | 113,874 | 1,088,931 | 150,076 | 189,237 | 265,752 | 483,866 | 1,783,360 | 503,164 | 436,015 | 422,464 | 421,717 |
| Operating expense adjustment | 98,724 | 217,344 | 71,160 | 80,686 | 355,455 | (289,957) | (1,121,735) | (298,600) | (284,813) | (276,355) | (261,967) |
| Income tax effect on above items (G) | (59,690) | (305,789) | (61,269) | (78,295) | (97,107) | (69,118) | (111,107) | 11,074 | (42,573) | (37,434) | (42,174) |
| Veritas other expense and tax (H) | - | (12,063) | - | - | - | (12,063) | (31,226) | (19,339) | (3,212) | (9,300) | 625 |
| Gain on sale of strategic investments (K) | - | (732) | - | - | - | (732) | (9,505) | (2,009) | - | - | (7,496) |
| Non-GAAP net income (loss) | <u>\$ 247,699</u> | <u>\$ 1,144,543</u> | <u>\$ 278,780</u> | <u>\$ 282,362</u> | <u>\$ 272,772</u> | <u>\$ 310,629</u> | <u>\$ 1,045,946</u> | <u>\$ 313,972</u> | <u>\$ 268,994</u> | <u>\$ 234,998</u> | <u>\$ 227,982</u> |
| NET INCOME (LOSS) PER SHARE - DILUTED: | | | | | | | | | | | |
| GAAP net income per share | \$ 0.09 | \$ 0.15 | \$ 0.11 | \$ 0.08 | \$ (0.21) | \$ 0.27 | \$ 0.74 | \$ 0.16 | \$ 0.22 | \$ 0.19 | \$ 0.16 |
| Stock-based compensation adjustment per share (M) | 0.03 | - | - | - | - | - | - | - | - | - | - |
| Other non-GAAP adjustments per share (A-L) | 0.12 | 0.85 | 0.15 | 0.18 | 0.44 | (0.02) | 0.12 | 0.10 | - | - | 0.03 |
| Non-GAAP net income (loss) per share | <u>\$ 0.24</u> | <u>\$ 1.00</u> | <u>\$ 0.26</u> | <u>\$ 0.26</u> | <u>\$ 0.23</u> | <u>\$ 0.25</u> | <u>\$ 0.86</u> | <u>\$ 0.26</u> | <u>\$ 0.22</u> | <u>\$ 0.19</u> | <u>\$ 0.19</u> |
| SHARES USED TO COMPUTE NET INCOME (LOSS) PER SHARE - DILUTED: | | | | | | | | | | | |
| GAAP shares used to compute net income per share | 1,048,833 | 1,025,856 | 1,064,293 | 1,096,609 | 1,172,130 | 737,211 | 738,245 | 738,413 | 742,446 | 726,538 | 735,852 |
| Converted incremental Veritas shares* | - | 121,663 | - | - | - | 486,912 | 493,486 | 484,518 | 492,059 | 497,302 | 500,180 |
| Additional Non-GAAP diluted shares** | - | - | - | - | 32,922 | - | - | - | - | - | - |
| Non-GAAP shares used to compute net income (loss) per share | <u>1,048,833</u> | <u>1,147,519</u> | <u>1,064,293</u> | <u>1,096,609</u> | <u>1,205,052</u> | <u>1,224,123</u> | <u>1,231,731</u> | <u>1,222,931</u> | <u>1,234,505</u> | <u>1,223,840</u> | <u>1,236,032</u> |

NOTES:

The above information reflects the financial results of Symantec Corporation. Symantec acquired Veritas Software Corporation on July 2, 2005. The results of operations of Veritas have been included in the Symantec results of operations beginning on July 2, 2005.

*Converted incremental Veritas shares equals Veritas historical shares multiplied by the exchange ratio of 1.1242.

**Excluded from the shares used to compute the dilutive GAAP net loss per share because the effect was antidilutive.

FOOTNOTES:

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 be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP.

(A) Fair value adjustment to Veritas deferred revenue. We include revenue associated with Veritas deferred revenue that was excluded as a result of purchase accounting adjustments to fair value because we believe it is reflective of ongoing operating results.

(B) *Amortization of acquired product rights.* The amounts recorded as amortization of acquired product rights arise from prior acquisitions and are non-cash in nature. We exclude these expenses because we believe they are not reflective of ongoing operating results in the period incurred and are not directly related to the operation of our business.

(C) *Executive incentive bonuses.* Consists of bonuses related to the Veritas acquisition and executive sign-on bonuses for newly hired executives. We exclude these amounts because they arise from prior acquisitions and other infrequent events and we believe they are not directly related to the operation of our business. For the three months ended June 30, 2006 executive incentive bonuses were allocated as follows:

| | Three months ended June 30, 2006 (in thousands) |
|-----------------------------------|---|
| Sales and marketing | \$ 676 |
| Research and development | 865 |
| General and administrative | 433 |
| Total executive incentive bonuses | <u>\$ 1,974</u> |

(D) *Acquired in-process research and development.* The amounts recorded as acquired in-process research and development arise from prior acquisitions and are non-cash in nature. We exclude these expenses because we believe they are not reflective of ongoing operating results in the period incurred and are not directly related to the operation of our business.

(E) *Restructuring.* These amounts arise from severance, benefits, outplacement services, and excess facilities resulting from our company restructurings and we believe they are not directly related to the operation of our business.

(F) *Integration.* Consists of expenses incurred for consulting services and other professional fees associated with the integration activities for our acquisition of Veritas. These expenses arose from a specific prior acquisition and we believe they are not directly related to the operation of our business. Operating expenses for the three months ended June 30, 2006 did not include integration expenses. For the three months ended June 30, 2005 integration expenses were allocated as follows:

| | Three months ended June 30, 2005 (in thousands) | | |
|----------------------------|--|------------------|------------------|
| | Symantec | Veritas | Total |
| Cost of revenues | <u>\$ -</u> | <u>\$ 1,057</u> | <u>\$ 1,057</u> |
| Sales and marketing | \$ 1,557 | \$ 3,094 | \$ 4,651 |
| Research and development | 774 | 2,700 | 3,474 |
| General and administrative | 5,570 | 4,826 | 10,396 |
| Total integration expenses | <u>\$ 7,901</u> | <u>\$ 10,620</u> | <u>\$ 18,521</u> |

(G) *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 operating income.

(H) *Veritas' historical results of operations.* These amounts represent Veritas' historical results of operations for the three months ended March 31, 2005. We include these historical results of operations because we believe they are useful in comparing the ongoing operating results of the combined company with pre-merger results of the two companies.

(I) *Amortization of other intangible assets.* The amounts recorded as amortization of other intangible assets arise from prior acquisitions and are non-cash in nature. We exclude these expenses because we believe they are not reflective of ongoing operating results in the period incurred and are not directly related to the operation of our business.

(J) *Patent settlement.* On May 12, 2005, we resolved the Altiris patent litigation matter with a cross-licensing agreement that resolved all legal claims between the companies. We exclude this amount because it arose from a specific litigation matter and we believe it is not directly related to the operation of our business.

(K) *Gain on sale of strategic investments.* We have equity investments in privately held companies for business and strategic purposes. We exclude the gain on sale of strategic investments because we believe it is not reflective of ongoing operating results in the period incurred and is not directly related to the operation of our business.

(L) *Proposed Veritas SEC legal settlement.* Prior to our acquisition of Veritas, Veritas accrued a \$30 million penalty based on settlement discussions with the SEC. We exclude the proposed SEC legal settlement because we believe it is not reflective of ongoing operating results in the period incurred and is not directly related to the operation of our business.

(M) *Stock-based compensation.* Consists of expenses for employee stock options, restricted stock units, and employee stock purchase plan determined in accordance with APB 25 and SFAS 123(R) pre and post adoption of SFAS 123(R) on April 1, 2006, respectively. We exclude these stock-based compensation expenses because they are non-cash expenses that we believe are not reflective of ongoing operating results. Further, we believe it is useful to investors to understand the impact of the application of SFAS 123(R) to our results of operations. For the three months ended June 30, 2006 and 2005, stock-based compensation was allocated as follows:

| | 2006 | Three months ended June 30, 2005 (in thousands) | | |
|---|------------------|--|-----------------|-----------------|
| | | Symantec | Veritas | Total |
| Cost of revenues | <u>\$ 3,981</u> | <u>\$ -</u> | <u>\$ 901</u> | <u>\$ 901</u> |
| Sales and marketing | \$ 14,186 | \$ 806 | \$ 1,482 | \$ 2,288 |
| Research and development | 14,098 | 1,105 | 2,062 | 3,167 |
| General and administrative | 4,594 | 874 | 1,189 | 2,063 |
| Total stock-based compensation expenses | <u>\$ 32,878</u> | <u>\$ 2,785</u> | <u>\$ 4,733</u> | <u>\$ 7,518</u> |

SYMANTEC CORPORATION
Reconciliation of GAAP deferred revenue
to non-GAAP deferred revenue
(Unaudited)

| | <u>June 30, 2006</u> | <u>June 30, 2005</u> |
|--|----------------------|----------------------|
| <u>Deferred revenue reconciliation</u> | | |
| GAAP deferred revenue | \$ 2,209,305 | \$ 1,268,399 |
| Add back: | | |
| Fair value adjustment to Veritas deferred revenue (**) | 35,247 | - |
| Veritas deferred revenue (***) | - | 519,499 |
| Non-GAAP deferred revenue (*) | <u>\$ 2,244,552</u> | <u>\$ 1,787,898</u> |

(*) We believe that providing the non-GAAP item set forth above is useful to investors, and such item is used by our management, for the reasons associated with the adjusting item as described below.

(**) Fair value adjustment to Veritas deferred revenue. We include revenue associated with Veritas deferred revenue that was excluded as a result of purchase accounting adjustments to fair value because we believe they are reflective of ongoing operating results.

(***) Veritas' historical results of operations. These amounts represent Veritas' historical deferred revenue as of March 31, 2005. We include these historical results of operations because we believe they are useful in comparing the ongoing operating results of the combined company with pre-merger results of the two companies.