



Symantec Reports Third Quarter Fiscal Year 2010 Results

- Non-GAAP Revenue of US\$1.551 billion-Non-GAAP Operating Margin of 28.3 percent-Non-GAAP Earnings Per Share of US\$0.40-Non-GAAP Deferred Revenue of US\$3.07 billion-Cash Flow from Operations of US\$393 million

Sydney, AUSTRALIA 28 January 2010 Symantec Corp. (Nasdaq:SYMC) today reported the results of its third quarter of fiscal year 2010, which ended Jan. 1, 2010. GAAP revenue for the fiscal third quarter was US\$1.548 billion. Non-GAAP revenue was US\$1.551 billion, up 1 percent over the comparable period a year ago (down 3 percent after adjusting for currency).

Our consumer business, with its market-leading solutions and diverse go-to-market channels, continued to show strong momentum, said Enrique Salem, president and chief executive officer, Symantec. Our Security and Compliance business contributed to the better than expected results, driven by our ability to sell multiple security products to our customers. In addition, our hosted services, data loss prevention and compliance solutions performed well.

We are encouraged by the improving trends in our license revenue and by the sequential stabilisation of our maintenance revenues. This led to better than expected sequential and year-over-year growth in both revenue and deferred revenue, said James Beer, executive vice president and chief financial officer. Our business continues to deliver strong cash flow from operations, generating approximately US\$1 billion over the last three quarters.

GAAP Results: GAAP operating margin for the third quarter of fiscal year 2010 was 17.9 percent. GAAP net income for the fiscal third quarter was US\$300 million compared with a US\$6.82 billion loss for the same quarter last year. GAAP diluted earnings per share were US\$0.37 compared with a loss per share of US\$8.25 for the same quarter last year.

Symantec realised a one-time benefit of US\$78.5 million to GAAP net income, or a US\$0.10 benefit to GAAP earnings per share in the December 2009 quarter as a result of the favorable ruling by the U.S. Tax Court regarding the Veritas Software tax assessment for 2000 and 2001. The company realised this one-time benefit because the previous accrual exceeded Symantec's revised estimated incremental tax liability. The GAAP net loss for the year-ago quarter includes a non-cash goodwill impairment charge of approximately US\$7 billion.

GAAP deferred revenue as of Jan. 1, 2010, was US\$3.05 billion compared with US\$2.92 billion as of Jan. 2, 2009, up 4 percent. After adjusting for currency, GAAP deferred revenue increased 3 percent year-over-year.

Cash flow from operating activities for the third quarter of fiscal year 2010 was US\$393 million. Symantec ended the quarter with cash, cash equivalents and short-term investments of US\$2.61 billion.

Non-GAAP Results: Non-GAAP operating margin for the third quarter of fiscal year 2010 was 28.3 percent. Non-GAAP net income for the fiscal third quarter was US\$326 million compared with US\$352 million for the year-ago period. Non-GAAP diluted earnings per share were US\$0.40 compared with earnings per share of US\$0.42 for the year-ago quarter.

Symantec realised a one-time benefit of US\$16.5 million to non-GAAP net income, or a US\$0.02 benefit to non-GAAP earnings per share in the December 2009 quarter as a result of the previously mentioned favorable ruling by the U.S. Tax Court. The company realised this one-time benefit after releasing the accrual related to interest on the original tax assessment recorded since the Veritas acquisition.

Non-GAAP deferred revenue as of Jan. 1, 2010, was US\$3.07 billion compared with US\$2.96 billion as of Jan. 2, 2009, up 3 percent. After adjusting for currency, non-GAAP deferred revenue increased 2 percent year-over-year.

During the third quarter of fiscal year 2010, Symantec repurchased 6.8 million shares for US\$121 million at an average price of US\$17.76 per share. **Business Segment and Geographic Highlights**For the quarter, Symantec's Consumer segment represented 31 percent of total non-GAAP revenue and increased 7 percent year-over-year (increased 3 percent after adjusting for currency). The Security and Compliance segment represented 24 percent of total non-GAAP revenue and increased 3 percent year-over-year (declined 2 percent adjusting for currency). The Storage and Server Management segment represented 38 percent of total non-GAAP revenue and declined 4 percent year-over-year (declined 8 percent after adjusting for currency). Services represented 7 percent of total non-GAAP revenue, flat year-over-year (declined 5 percent after adjusting for currency).

International revenue represented 51 percent of total non-GAAP revenue in the third quarter of fiscal year 2010 and increased 3 percent year-over-year (declined 5 percent after adjusting for currency). The Europe, Middle East and Africa region represented 32 percent of total non-GAAP revenue for the quarter and increased 1 percent year-over-year (declined 9 percent after adjusting for currency). The Asia Pacific/Japan revenue for the quarter represented 15 percent of total non-GAAP revenue and increased 11 percent year-over-year (increased 5 percent after adjusting for currency). The Americas, including the United States, Latin America and Canada, represented 53 percent of total non-GAAP revenue and declined 2 percent both before and after adjusting for currency.

Fourth Quarter Fiscal Year 2010 Guidance Guidance assumes an exchange rate of US\$1.40 per Euro for the March 2010 quarter versus the actual weighted average rate of US\$1.30 per Euro for the March 2009 quarter, equivalent to an approximately 8 percent currency benefit. The end of period rate for the March 2009 quarter was US\$1.34, representing an approximately 4 percent currency benefit versus the US\$1.40 per Euro assumption for the March 2010 quarter.

For the fourth quarter of fiscal year 2010, ending April 2, 2010, GAAP revenue is estimated between US\$1.507 billion and US\$1.522 billion. GAAP diluted earnings per share are estimated between US\$0.16 and US\$0.17. GAAP deferred revenue is expected to be in the range of US\$3.162 billion and US\$3.192 billion.

Non-GAAP revenue for the fourth quarter of fiscal year 2010 is estimated between US\$1.510 billion and US\$1.525 billion. Non-GAAP diluted earnings per share are estimated between US\$0.36 and US\$0.37. Non-GAAP deferred revenue is expected to be in the range of US\$3.175 billion and US\$3.205 billion.

Conference Call Symantec has scheduled a conference call for 5 p.m. ET/2 p.m. PT today to discuss the results from the fiscal third quarter 2010, ended Jan. 1, 2010, and to review guidance. Interested parties may access the conference call on the Internet at <http://www.symantec.com/invest>. To listen to the live call, please go to the Web site at least 15 minutes early to register, download and install any necessary audio software. A replay and script of our officers remarks will be available on the investor relations home page shortly after the call is completed.

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FORWARD-LOOKING STATEMENTS: This press release contains statements regarding our financial and business results, which may be considered forward-looking within the meaning of the U.S. federal securities laws, including projections of future revenue, earnings per share and deferred revenue, as well as projections of amortisation of acquisition-related intangibles and stock-based compensation and restructuring charges. These statements are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from results expressed or implied in this press release. Such risk factors include those related to: general economic conditions; maintaining customer and partner relationships; the anticipated growth of certain market segments, particularly with regard to security and storage; the competitive environment in the software industry; changes to operating systems and product strategy by vendors of operating systems; fluctuations in currency exchange rates; the timing and market acceptance of new product releases and upgrades; the successful development of new products and integration of acquired businesses, and the degree to which these products and businesses gain market acceptance. Actual results may differ materially from those contained in the forward-looking statements in this press release. We assume no obligation, and do not intend, to update these forward-looking statements as a result of future events or developments. Additional information concerning these and other risks factors is contained in the Risk Factors sections of our Form 10-K for the year ended April 3, 2009.

USE OF NON-GAAP FINANCIAL INFORMATION: Our results of operations have undergone significant change due to a series of acquisitions, the impact of SFAS 123(R), impairment charges and other corporate events. To help our readers understand our past financial performance and our future results, we supplement the financial results that we provide in accordance with generally accepted accounting principles, or GAAP, with non-GAAP financial measures. 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. Our management regularly uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions. These non-GAAP measures are among the primary factors management uses in planning for and forecasting future periods. Investors are encouraged to review the reconciliation of our non-GAAP financial measures to the comparable GAAP results, which is attached to our quarterly earnings release and which can be found, along with other financial information, on the investor relations page of our Web site at www.symantec.com/invest.

Media Contact: Jasmin Athwal Max Australia +61 2 9954 3492 Jasmin.Athwal@maxaustralia.com.au