SYMANTEC CORPORATION

Third Fiscal Quarter 2014 Supplemental Information (1)

(Dollars in millions, except per share data, unaudited)

	Q3'14	Q3'13	Y/Y Growth	Constant Currency (2)	% Mix of Q3'14 Revenue
Revenue and Earnings Results					
GAAP Revenue	$1,705	$1,791	-5%	-4%	
Diluted non-GAAP EPS	$0.51	$0.45	13%	N/A	
Diluted GAAP EPS	$0.40	$0.31	29%	N/A	
Revenue by Segment - GAAP					
User Productivity & Protection	$718	$750	-4%	-4%	42%
Information Security	$327	$336	-3%	-1%	19%
Information Management	$660	$705	-6%	-7%	39%
Revenue by Geography - GAAP					
International	$904	$940	-4%	-3%	53%
U.S.	$801	$851	-6%	-6%	47%
Americas (U.S., Latin America, Canada)	$914	$956	-4%	-4%	54%
EMEA	$494	$498	-1%	-5%	29%
Asia Pacific & Japan	$297	$337	-12%	-4%	17%
Expenses and Profitability - Non-GAAP					
Gross margin	84.5%	84.4%	10 bps	-20 bps	
Operating expenses	$927	$1,048	-12%	-11%	
Operating expenses as a % of revenue	54.4%	58.5%	-410 bps	-370 bps	
Operating income	$513	$464	11%	9%	
Operating margin	30.1%	25.9%	420 bps	370 bps	
Net income	$358	$317	13%	N/A	
Fully diluted shares outstanding	702	702	0%		
Balance Sheet & Cash Flow Metrics					
Cash and cash equivalents (including short-term investments)	$3,890	$4,252	-9%		
DSO	48 days	55 days	N/A		
GAAP deferred revenue	$3,588	$3,806	-6%	-5%	
Cash flow from operating activities	$329	$463	-29%		
Purchases of property and equipment	$65	$77	-16%		
Stock repurchases - number of shares	5	11	N/A		

(1) This presentation includes non-GAAP measures. Our non-GAAP measures 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 measures prepared in accordance with GAAP. For a detailed explanation of these non-GAAP measures, please see our Explanation of Non-GAAP Measures and Other Items in Appendix A. For a detailed reconciliation of these non-GAAP measures, please see the attached Trended Reconciliation.

(2) Management refers to growth rates adjusting for currency so that the business results can be viewed without the impact of fluctuations in foreign currency exchange rates. We compare the percentage change in the results from one period to another period in order to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than United States dollars are converted into United States dollars at the actual exchange rates in effect during the respective prior periods (or, in the case of deferred revenue, converted into United States dollars at the actual exchange rate in effect at the end of the prior period).

SYMANTEC CORPORATION
Trended Reconciliation of GAAP to Non-GAAP Statements of Income (1) (2)
(Dollars in millions, except per share data, unaudited)

	FY2014			FY2013				Year Ended	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	FY13	FY12
GAAP									
Net revenue	$ 1,705	$ 1,637	$ 1,709	$ 1,748	$ 1,791	$ 1,699	$ 1,668	$ 6,906	$ 6,730
Cost of revenue	283	284	300	308	299	284	284	1,175	1,082
Gross profit	1,422	1,353	1,409	1,440	1,492	1,415	1,384	5,731	5,648
Operating expenses									
Sales and marketing	608	592	651	693	724	667	668	2,752	2,789
Research and development	252	248	261	267	249	247	249	1,012	969
General and administrative	97	114	119	114	117	109	110	450	437
Amortization of intangible assets	28	29	71	71	71	72	72	286	289
Restructuring and transition	32	122	83	40	27	23	35	125	56
Impairment of intangible assets	-	-	-	-	-	-	-	-	4
Total operating expenses	1,017	1,105	1,185	1,185	1,188	1,118	1,134	4,625	4,544
Operating income	405	248	224	255	304	297	250	1,106	1,104
Non-operating income (expense)									
Interest income	3	3	3	3	4	2	3	12	13
Interest expense	(20)	(20)	(25)	(37)	(38)	(35)	(29)	(139)	(115)
Other income (expense), net	(1)	20	18	12	20	1	(6)	27	(6)
Loss from joint venture	-	-	-	-	-	-	-	-	(27)
Gain from sale of joint venture	-	-	-	-	-	-	-	-	526
Total non-operating income (expense)	(18)	3	(4)	(22)	(14)	(32)	(32)	(100)	391
Income before income taxes	387	251	220	233	290	265	218	1,006	1,495
Provision for income taxes	104	10	63	43	74	76	58	251	308
Net income attributable to Symantec Corporation stockholders	$ 283	$ 241	$ 157	$ 190	$ 216	$ 189	$ 160	$ 755	$ 1,187
Reconciliation of Non-GAAP Adjustments									
Cost of revenue									
Stock-based compensation	$ 5	$ 4	$ 4	$ 3	$ 4	$ 4	$ 4	$ 15	$ 16
Amortization of intangible assets	13	13	15	16	16	19	18	69	91
Total cost of revenue adjustment	18	17	19	19	20	23	22	84	107
Operating expenses									
Stock-based compensation	29	34	35	36	38	41	34	149	148
Amortization of intangible assets	28	29	71	71	71	72	72	286	289
Restructuring and transition	32	122	83	40	27	23	35	125	56
Impairment of intangible assets	-	-	-	-	-	-	-	-	4
Acquisition/divestiture-related expenses	1	1	-	-	4	3	3	10	6
Settlements of litigation	-	-	-	-	-	-	-	-	8
Total operating expense adjustment	90	186	189	147	140	139	144	570	511
Net income									
Gross profit adjustment	18	17	19	19	20	23	22	84	107
Operating expense adjustment	90	186	189	147	140	139	144	570	511
Non-cash interest expense	1	-	5	15	15	15	13	58	56
Loss on sale of assets	-	-	-	-	-	-	7	7	-
(Gain) loss on sale of short-term investments	-	(16)	(16)	-	-	-	-	-	1
Joint venture: Amortization of intangible assets	-	-	-	-	-	-	-	-	4
Gain from sale of joint venture	-	-	-	-	-	-	-	-	(526)
China VAT refund	-	-	-	(2)	(24)	-	-	(26)	-
Income tax effect on above items	(34)	(75)	(46)	(46)	(44)	(47)	(49)	(186)	(76)
Tax related adjustments:									
Release of pre-acquisition tax contingencies	-	-	-	(7)	(6)	(7)	-	(20)	(48)
Change in valuation allowance	-	2	-	-	-	6	-	6	-
Total net income adjustment	$ 75	$ 114	$ 151	$ 126	$ 101	$ 129	$ 137	$ 493	$ 29
Non-GAAP									
Net revenue	$ 1,705	$ 1,637	$ 1,709	$ 1,748	$ 1,791	$ 1,699	$ 1,668	$ 6,906	$ 6,730
Cost of revenue	265	267	281	289	279	261	262	1,091	975
Gross profit	1,440	1,370	1,428	1,459	1,512	1,438	1,406	5,815	5,755
Operating expenses									
Sales and marketing	592	577	637	677	706	650	652	2,685	2,719
Research and development	243	236	248	254	236	234	238	962	920
General and administrative	92	106	111	107	106	95	100	408	394
Total operating expenses	927	919	996	1,038	1,048	979	990	4,055	4,033
Operating income	513	451	432	421	464	459	416	1,760	1,722
Non-operating income (expense)									
Interest income	3	3	3	3	4	2	3	12	13
Interest expense	(19)	(19)	(20)	(22)	(23)	(20)	(16)	(81)	(59)
Other income (expense), net	(1)	3	2	10	(4)	1	1	8	(5)
Loss from joint venture	-	-	-	-	-	-	-	-	(23)
Total non-operating expenses	(17)	(13)	(15)	(9)	(23)	(17)	(12)	(61)	(74)
Income before income taxes	496	438	417	412	441	442	404	1,699	1,648
Provision for income taxes	138	83	109	96	124	124	107	451	432
Net income attributable to Symantec Corporation stockholders	$ 358	$ 355	$ 308	$ 316	$ 317	$ 318	$ 297	$ 1,248	$ 1,216
Shares									
Diluted GAAP and non-GAAP weighted-average shares outstanding attributable to Symantec Corporation stockholders	702	707	707	714	702	708	720	711	748
Reconciliation of Net Income per Share									
GAAP net income per share attributable to Symantec Corporation stockholders	$ 0.40	$ 0.34	$ 0.22	$ 0.27	$ 0.31	$ 0.27	$ 0.22	$ 1.06	$ 1.59
Stock-based compensation adjustment per share, net of taxes	$ 0.03	$ 0.04	$ 0.04	$ 0.04	$ 0.04	$ 0.05	$ 0.04	$ 0.17	$ 0.16
Other non-GAAP adjustments per share, net of taxes	$ 0.08	$ 0.12	$ 0.18	$ 0.13	$ 0.10	$ 0.13	$ 0.15	$ 0.53	$ (0.12)
Non-GAAP net income per share attributable to Symantec Corporation stockholders	$ 0.51	$ 0.50	$ 0.44	$ 0.44	$ 0.45	$ 0.45	$ 0.41	$ 1.76	$ 1.63

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(2) This presentation includes revised amounts from a change in accounting policy related to the accounting for commissions. Please see Appendix A for more details.

SYMANTEC CORPORATION

Trended Revenue and Deferred Revenue Detail [(1)]

(Dollars in millions, unaudited)

	FY2014			FY2013				Year Ended	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	FY13	FY12
Non-GAAP FX Adjusted Organic Revenue Y/Y Growth [(2)]	-4.5%	-3.5%	3.0%	4.3%	4.0%	2.7%	1.0%	3.0%	1.3%
GAAP Revenue									
Content, subscription, and maintenance	$ 1,508	$ 1,499	$ 1,520	$ 1,527	$ 1,521	$ 1,498	$ 1,475	$ 6,021	$ 5,823
License	197	138	189	221	270	201	193	885	907
Total Revenue	$ 1,705	$ 1,637	$ 1,709	$ 1,748	$ 1,791	$ 1,699	$ 1,668	$ 6,906	$ 6,730
GAAP Revenue - Y/Y Growth Rate									
Content, subscription, and maintenance	-1%	0%	3%	4%	4%	3%	3%	3%	11%
License	-27%	-31%	-2%	5%	7%	-12%	-10%	-2%	-4%
Total Y/Y Growth Rate	-5%	-4%	2%	4%	4%	1%	1%	3%	9%
GAAP Revenue - Y/Y Growth Rate in Constant Currency									
Content, subscription, and maintenance	0%	0%	4%	5%	5%	7%	6%	5%	9%
License	-27%	-31%	-2%	6%	8%	-9%	-6%	0%	-7%
Total Y/Y Growth Rate in Constant Currency	-4%	-3%	3%	5%	5%	5%	4%	5%	6%
GAAP Revenue by Segment [(3)]									
User Productivity & Protection	$ 718	$ 719	$ 732	$ 747	$ 750	$ 744	$ 738	$ 2,979	$ 2,975
Information Security	327	316	336	326	336	323	313	1,298	1,197
Information Management	660	602	641	675	705	632	617	2,629	2,558
GAAP Revenue by Segment - Y/Y Growth Rate [(3)]									
User Productivity & Protection	-4%	-3%	-1%	2%	0%	-1%	0%	0%	5%
Information Security	-3%	-2%	7%	3%	6%	13%	13%	8%	34%
Information Management	-6%	-5%	4%	7%	8%	-2%	-3%	3%	3%
GAAP Revenue by Segment - Y/Y Growth Rate in Constant Currency [(3)]									
User Productivity & Protection	-4%	-3%	0%	3%	1%	2%	3%	2%	3%
Information Security	-1%	-1%	9%	4%	7%	16%	15%	10%	32%
Information Management	-7%	-6%	4%	8%	9%	2%	1%	5%	1%
GAAP Revenue by Geography									
International	$ 904	$ 848	$ 879	$ 897	$ 940	$ 873	$ 859	$ 3,569	$ 3,490
U.S.	801	789	830	851	851	826	809	3,337	3,240
Americas (U.S., Latin America, Canada)	914	890	933	957	956	922	909	3,744	3,625
EMEA	494	457	470	483	498	441	436	1,858	1,858
Asia Pacific & Japan	297	290	306	308	337	336	323	1,304	1,247
GAAP Revenue by Geography - Y/Y Growth Rate									
International	-4%	-3%	2%	2%	6%	1%	0%	2%	11%
U.S.	-6%	-4%	3%	6%	3%	2%	2%	3%	6%
Americas (U.S., Latin America, Canada)	-4%	-3%	3%	6%	3%	2%	3%	3%	7%
EMEA	-1%	4%	8%	6%	6%	-4%	-8%	0%	5%
Asia Pacific & Japan	-12%	-14%	-5%	-4%	7%	6%	9%	5%	21%
GAAP Revenue by Geography - Y/Y Growth Rate in Constant Currency									
International	-3%	-2%	4%	4%	8%	7%	6%	6%	7%
U.S.	-6%	-5%	3%	6%	3%	2%	2%	3%	6%
Americas (U.S., Latin America, Canada)	-4%	-4%	3%	6%	3%	2%	3%	3%	7%
EMEA	-5%	-1%	6%	5%	10%	7%	3%	6%	1%
Asia Pacific & Japan	-4%	-5%	1%	1%	6%	8%	10%	6%	14%
GAAP Deferred revenue	$ 3,588	$ 3,501	$ 3,812	$ 4,017	$ 3,806	$ 3,619	$ 3,745	$ 4,017	$ 3,973
GAAP Deferred revenue - Y/Y Growth Rate	-6%	-3%	2%	1%	4%	5%	2%	1%	4%
GAAP Deferred revenue - Y/Y Growth Rate in Constant Currency	-5%	-3%	3%	3%	4%	5%	5%	3%	5%

(1) Management refers to growth rates adjusting for currency so that the business results can be viewed without the impact of fluctuations in foreign currency exchange rates. We compare the percentage change in the results from one period to another period in order to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than United States dollars are converted into United States dollars at the actual exchange rates in effect during the respective prior periods (or, in the case of deferred revenue, converted into United States dollars at the actual exchange rate in effect at the end of the prior period).

(2) Non-GAAP FX Adjusted Organic Revenue Y/Y Growth excludes acquisition revenue for four full quarters following the close of a transaction and adjusts for the deferred revenue fair value impact of purchase accounting. Also, foreign currency is held constant.

(3) This presentation includes revised amounts from a change in segment reporting. Please see Appendix A for more details.

SYMANTEC CORPORATION
Supplemental Trended Financial Information
(Unaudited)

	FY2014			FY2013				Year End	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	FY13	FY12
Operating Income by Segment (Dollars in millions) (1)									
User Productivity & Protection	$ 269	$ 257	$ 257	$ 253	$ 235	$ 268	$ 259	$1,015	$1,056
Information Security	65	49	26	8	26	13	(9)	38	(105)
Information Management	179	145	149	160	203	178	166	707	771
Total Operating Income by Segment	513	451	432	421	464	459	416	1,760	1,722
Reconciling Items:									
Stock-based compensation	34	38	39	39	42	45	38	164	164
Amortization of intangible assets	41	42	86	87	87	91	90	355	380
Restructuring and transition	32	122	83	40	27	23	35	125	56
Impairment of intangible assets	-	-	-	-	-	-	-	-	4
Acquisition/divestiture-related expenses	1	1	-	-	4	3	3	10	6
Settlements of litigation	-	-	-	-	-	-	-	-	8
Total Consolidated Operating Income	$ 405	$ 248	$ 224	$ 255	$ 304	$ 297	$ 250	$1,106	$1,104
GAAP Operating Margin by Segment (1)									
User Productivity & Protection	37%	36%	35%	34%	31%	36%	35%	34%	35%
Information Security	20%	16%	8%	2%	8%	4%	-3%	3%	-9%
Information Management	27%	24%	23%	24%	29%	28%	27%	27%	30%
Other									
Large Transactions Summary									
Greater than $300K	415	224	270	508	473	344	264	1,589	1,815
Greater than $1M	106	41	67	128	106	65	49	348	376
Headcount									
Total employees	20,402	20,288	21,552	21,571	21,306	20,913	21,112	21,571	20,502
Acquisition headcount added during period	-	14	-	-	174	-	14	188	418
FX Rate Summary									
Weighted average rate ($/€)	$ 1.36	$ 1.33	$ 1.31	$ 1.32	$ 1.30	$ 1.25	$ 1.28	$ 1.29	$ 1.38
End of period rate ($/€)	$ 1.38	$ 1.35	$ 1.30	$ 1.28	$ 1.32	$ 1.29	$ 1.27	$ 1.28	$ 1.33

(1) This presentation includes revised amounts from a change in segment reporting. Please see Appendix A for more details.

SYMANTEC CORPORATION
Trended Condensed Consolidated Balance Sheets [1]
(Dollars in millions, unaudited)

	FY2014			FY2013				FY2012			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
ASSETS											
Current assets:											
Cash and cash equivalents	$ 3,813	$ 3,727	$ 3,749	$ 4,685	$ 4,200	$ 4,002	$ 4,082	$ 3,162	$ 2,327	$ 2,215	$ 2,290
Short-term investments	77	105	34	62	52	5	29	49	53	38	7
Trade accounts receivable, net	892	573	744	1,031	1,081	735	627	940	1,009	694	676
Inventories, net	13	16	17	24	20	23	27	28	32	28	28
Deferred income taxes	170	174	172	169	160	165	158	166	190	189	191
Deferred commissions	106	114	134	130	127	122	128	146	121	110	122
Other current assets	245	261	329	315	270	244	262	249	243	240	258
Total current assets	5,316	4,970	5,179	6,416	5,910	5,296	5,313	4,740	3,975	3,514	3,572
Property and equipment, net	1,110	1,091	1,102	1,122	1,130	1,114	1,106	1,100	1,050	1,043	1,040
Intangible assets, net	809	852	890	977	1,065	1,155	1,244	1,337	1,379	1,477	1,578
Goodwill	5,856	5,859	5,841	5,841	5,843	5,842	5,842	5,826	5,725	5,732	5,749
Investment in joint venture	-	-	-	-	-	-	-	-	-	-	14
Long-term deferred commissions	29	28	30	29	30	28	28	32	28	26	28
Other long-term assets	138	114	109	123	107	145	144	123	142	149	154
Total assets	$13,258	$12,914	$13,151	$ 14,508	$14,085	$13,580	$13,677	$13,158	$12,299	$11,941	$12,135
LIABILITIES AND STOCKHOLDERS' EQUITY											
Current liabilities:											
Accounts payable	$ 306	$ 249	$ 274	$ 334	$ 317	$ 278	$ 326	$ 324	$ 268	$ 304	$ 260
Accrued compensation and benefits	338	312	321	422	454	308	286	416	393	312	329
Deferred revenue	3,087	3,003	3,292	3,496	3,298	3,118	3,236	3,444	3,160	2,962	3,180
Current portion of long-term debt	-	-	-	997	982	968	955	-	-	-	-
Other current liabilities	418	343	318	318	431	336	311	321	348	317	282
Total current liabilities	4,149	3,907	4,205	5,567	5,482	5,008	5,114	4,505	4,169	3,895	4,051
Long-term debt	2,094	2,094	2,094	2,094	2,094	2,093	2,093	2,039	2,025	2,012	1,999
Long-term deferred revenue	501	498	520	521	508	501	509	529	505	490	509
Long-term deferred tax liabilities	440	474	443	426	344	334	311	314	377	354	369
Long-term income taxes payable	242	222	327	318	341	371	387	393	315	389	389
Other long-term obligations	74	62	65	60	60	75	84	94	80	78	79
Total liabilities	7,500	7,257	7,654	8,986	8,829	8,382	8,498	7,874	7,471	7,218	7,396
Total Symantec Corporation stockholders' equity	5,758	5,657	5,497	5,522	5,256	5,183	5,099	5,206	4,742	4,638	4,659
Noncontrolling interest in subsidiary	-	-	-	-	-	15	80	78	86	85	80
Total stockholders' equity	5,758	5,657	5,497	5,522	5,256	5,198	5,179	5,284	4,828	4,723	4,739
Total liabilities and stockholders' equity	$13,258	$12,914	$13,151	$ 14,508	$14,085	$13,580	$13,677	$13,158	$12,299	$11,941	$12,135

(1) This presentation includes revised amounts from a change in accounting policy related to the accounting for commissions. Please see Appendix A for more details.

SYMANTEC CORPORATION
Trended Condensed Consolidated Statements of Cash Flows [1]
(Dollars in millions, unaudited)

	FY2014			FY2013				Year Ended	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	FY13	FY12
OPERATING ACTIVITIES:									
Net income	$ 283	$ 241	$ 157	$ 190	$ 216	$ 189	$ 160	$ 755	$ 1,187
Adjustments to reconcile net income to net cash provided by operating activities:									
Depreciation	68	69	70	70	72	71	70	283	273
Amortization of intangible assets	42	42	86	87	87	91	90	355	380
Amortization of debt issuance costs and discounts	1	-	5	16	15	14	15	60	59
Stock-based compensation expense	34	38	39	39	42	45	38	164	164
Deferred income taxes	(42)	20	31	14	13	8	(4)	31	25
Excess income tax benefit from the exercise of stock options	-	(4)	(9)	(9)	(1)	(1)	-	(11)	(8)
Net gain from sale of short-term investments	-	(16)	(16)	-	-	-	-	-	-
Impairment of intangible assets	-	-	-	-	-	-	-	-	4
Net gain from sale of joint venture	-	-	-	-	-	-	-	-	(526)
Loss from joint venture	-	-	-	-	-	-	-	-	27
Liquidation of foreign entities	-	-	-	2	-	-	-	2	3
Other	(3)	1	10	17	(11)	2	6	14	(1)
Net change in assets and liabilities, excluding effects of acquisitions:									
Trade accounts receivable, net	(320)	180	285	37	(347)	(104)	307	(107)	89
Inventories, net	3	2	6	(5)	4	4	1	4	2
Deferred commissions	7	25	(5)	(4)	(6)	8	19	17	(25)
Accounts payable	38	(28)	(64)	41	26	(34)	-	33	30
Accrued compensation and benefits	27	(13)	(97)	(28)	147	18	(125)	12	(31)
Deferred revenue	86	(357)	(199)	269	189	(152)	(187)	119	177
Income taxes payable	102	(63)	(9)	(70)	(3)	22	20	(31)	39
Other assets	(1)	30	1	(23)	(21)	3	(27)	(68)	(14)
Other liabilities	4	24	21	(31)	41	(6)	(43)	(39)	47
Net cash provided by operating activities	329	191	312	612	463	178	340	1,593	1,901
INVESTING ACTIVITIES:									
Purchases of property and equipment	(65)	(57)	(61)	(91)	(77)	(89)	(79)	(336)	(286)
Cash payments for acquisitions, net of cash acquired	-	(17)	-	-	-	-	(28)	(28)	(508)
Purchases of equity investments	-	-	-	-	-	-	-	-	(10)
Proceeds from sale of joint venture	-	-	-	-	-	-	-	-	530
Purchases of short-term investments	(72)	(102)	-	-	-	-	-	-	(47)
Proceeds from maturity and sales of short-term investments	99	35	32	-	-	24	22	46	3
Other	-	-	-	(4)	1	-	2	(1)	-
Net cash used in investing activities	(38)	(141)	(29)	(95)	(76)	(65)	(83)	(319)	(318)
FINANCING ACTIVITIES:									
Repayments of debt and other obligations	-	-	(1,189)	-	-	-	-	-	(607)
Proceeds from convertible note hedge	-	-	189	-	-	-	-	-	-
Net proceeds from sales of common stock under employee stock benefit plans	23	106	54	181	25	71	4	281	147
Excess income tax benefit from the exercise of stock options	-	4	9	9	1	1	-	11	8
Tax payments related to restricted stock units	(2)	(5)	(25)	(22)	(3)	(4)	(7)	(36)	(41)
Dividends paid, net	(104)	(105)	(105)	-	-	-	-	-	-
Repurchases of common stock	(125)	(125)	(125)	(125)	(200)	(200)	(301)	(826)	(893)
Purchase of additional equity interest in subsidiary	-	-	-	(19)	-	(92)	-	(111)	-
Proceeds from debt issuance, net of discount	-	-	-	-	-	-	996	996	-
Debt issuance costs	-	-	-	-	-	-	(7)	(7)	-
Net cash (used in) provided by financing activities	(208)	(125)	(1,192)	24	(177)	(224)	685	308	(1,386)
Effect of exchange rate fluctuations on cash and cash equivalents	3	53	(27)	(56)	(12)	31	(22)	(59)	15
Change in cash and cash equivalents	86	(22)	(936)	485	198	(80)	920	1,523	212
Beginning cash and cash equivalents	3,727	3,749	4,685	4,200	4,002	4,082	3,162	3,162	2,950
Ending cash and cash equivalents	$ 3,813	$ 3,727	$ 3,749	$ 4,685	$ 4,200	$ 4,002	$ 4,082	$ 4,685	$ 3,162

(1) This presentation includes revised amounts from a change in accounting policy related to the accounting for commissions. Please see Appendix A for more details.

SYMANTEC CORPORATION
Explanation of Non-GAAP Measures and Other Items
Appendix A

Change in accounting policy: Effective March 30, 2013, we changed our accounting policy for sales commissions that are incremental and directly related to customer sales contracts in which revenue is deferred. These commission costs are accrued and capitalized upon execution of a non-cancelable customer contract, and subsequently expensed over the term of such contract in proportion to the related future revenue streams. For commission costs where revenue is recognized, the related commission costs are recorded in the period of revenue recognition. Prior to this change in accounting policy, commission costs were expensed in the period in which they were incurred. The adoption of this accounting policy change has been applied retrospectively to all periods presented in this document, in which the cumulative effect of the change has been reflected as of the beginning of the first period presented.

Segment reporting: We previously announced our new strategic direction during the fourth quarter of fiscal 2013. As part of the strategy, we made changes to the organization and to performance measurements. During the first quarter of fiscal 2014, we modified our segment reporting structure to more readily match our operating structure. The historical periods presented have been adjusted to reflect the modified reporting structure, which are now the following:

- User Productivity & Protection
- Information Security
- Information Management

Historically, we reported our Other segment which consisted primarily of sunset products and products nearing the end of their life cycle. As such there was no revenue associated with this segment. Additionally, this Other segment included certain general and administrative expenses, amortization of intangible assets, stock-based compensation expense, restructuring and transition expenses, and certain indirect costs that were not charged to the other operating segments. Effective fiscal 2014, we will allocate all of our shared expenses from this Other segment to the three new segments except for the following reconciling items: stock-based compensation, amortization of intangible assets, restructuring and transition, impairment of intangible assets, impairment of assets held for sale, acquisition/divestiture-related expenses and settlements of litigation.

The non-GAAP financial measures included in the tables adjust for the following items: business combination accounting entries, stock-based compensation expense, restructuring and transition charges, charges related to the amortization of intangible assets, 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.

Stock-based compensation: Consists of expenses for employee stock options, restricted stock units, restricted stock awards, performance based awards and our employee stock purchase plan determined in accordance with the authoritative guidance on stock-based compensation. 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 complex formulas that incorporate factors, such as market volatility, that are beyond our control.

	Three months ended	
	December 27, 2013	December 28, 2012
Cost of revenue	$ 5	$ 4
Sales and marketing	15	18
Research and development	9	13
General and administrative	5	7
Total stock-based compensation	$ 34	$ 42

Amortization of 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 intangible assets. 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.

Restructuring and transition: We have engaged in various restructuring and transition activities over the past several years that have resulted in costs associated with severance, facilities costs, and transition and other related costs. Transition and other related costs consist of severance costs associated with acquisition integrations in efforts to streamline our business operations, consulting charges associated with the implementation of a new Enterprise Resource Planning system, and costs related to the outsourcing of certain back office functions. Each restructuring and transition activity 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 or transition 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 and, we believe that investors benefit from excluding these charges from our operating results to facilitate a more meaningful evaluation of current operating performance and comparisons to past operating performance.

Impairment of intangible assets: During the fourth quarter of fiscal 2012, we recorded an impairment loss of $4 million, resulting from lower than expected future cash flows of non-core brand names. The impairment loss was primarily due to increased focus on using the Symantec and Norton brands rather than non-core brands in go-to-market efforts. We do not believe that this charge is indicative of future operating results. We believe that investors benefit from excluding this charge from our operating results to facilitate a more meaningful evaluation of current operating performance and comparisons to past operating performance.

SYMANTEC CORPORATION
Explanation of Non-GAAP Measures and Other Items
Appendix A (continued)

Acquisition/divestiture-related expenses: The authoritative guidance on business combinations requires us to record in the statement of income, certain items that at the time of an acquisition would have been recorded to goodwill under the old authoritative guidance. We have excluded the effect of acquisition-related expenses from our non-GAAP operating expenses and net income measures. We incurred expenses in connection with our acquisitions, which we generally would not have otherwise incurred in the periods presented as a part of our continuing operations. We announced our divestiture of our joint venture with Huawei during the third quarter of fiscal 2012. Acquisition/divestiture-related expenses consist of professional service expenses. We believe it is useful for investors to understand the effects of these items on our operations. Although acquisition/divestiture-related expenses generally diminish over time with respect to past transactions, we generally will incur these expenses in connection with any future transactions.

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.

Non-cash interest expense: Effective April 4, 2009, we adopted authoritative guidance on convertible debt instruments, which changed the method of accounting for our convertible notes. Under this authoritative guidance, our EPS and net income calculated in accordance with GAAP has been reduced as a result of recognizing incremental non-cash interest expense. We believe it is useful to provide a non-GAAP financial measure that excludes this incremental non-cash interest expense 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.

Loss on sale of assets: During the first quarter of fiscal 2013, management sold certain intangible assets pertaining to the former Storage and Server Management segment and incurred a loss of $7 million. These intangible assets were acquired, in addition to other intangible assets, in a recent acquisition and did not meet the long-term strategic objectives of the segment. We have included the impact of this item in the Other income (expense), net in our GAAP income statement. The Company's management excluded this item when evaluating its ongoing operating performance, and therefore excluded this loss when presenting non-GAAP financial measures.

(Gain) loss on sale of short-term investments: This constitutes the gain or loss from the sale of the Company's short-term investments. The Company's management excludes this gain or loss when evaluating its ongoing performance and therefore excludes this gain or loss when presenting non-GAAP financial measures.

Joint venture: We exclude amortization of intangible assets related to the joint venture from our non-GAAP net income.

Gain from sale of joint venture: On March 30, 2012, we sold our 49% ownership interest in the joint venture to Huawei for $530 million in cash (less costs associated with the sale of the joint venture of $4 million). The Company's management excludes this gain when evaluating its ongoing performance and therefore has excluded this gain when presenting non-GAAP financial measures.

China VAT refund: During the third quarter of fiscal 2013, we received a tax incentive from the China tax bureau in the form of value-added tax ("VAT") refunds. The tax incentive is provided to software companies that perform research and development activities with respect to software in China. The refunds relate to VAT collected on qualifying software product sales during the periods from January 2011 through December 2012. This tax incentive plan was updated late in 2011 and it enabled companies to retrospectively apply the incentive back to January 2011. To maintain comparability of results across periods, we have excluded from our non-GAAP financial measures the portion of the refund representing periods ended prior to the third quarter of fiscal 2013.

Release of pre-acquisition tax contingencies: On December 2, 2009, we received a Revenue Agent's Report from the IRS for the VERITAS 2002 through 2005 tax years assessing additional taxes due. We contested $80 million of tax assessed and all penalties. As a result of negotiations with the IRS Appeals in the December 2011 quarter, we remeasured certain tax accruals related to this matter. Accordingly, we realized a benefit to GAAP net income of $52 million and a non-GAAP benefit of $10 million.

During the fourth quarter of fiscal 2012, we remeasured certain tax accruals related to pre-acquisition contingencies. As a result, we realized benefits to GAAP net income of $7 million and non-GAAP net income of $1 million.

During the second quarter of fiscal 2013, certain tax accruals related to pre-acquisition contingencies were effectively settled. As a result, we realized benefits to GAAP net income of $12 million and non-GAAP net income of $5 million.

The non-GAAP benefit was due to the reversal of accrued interest recorded in our income statement during our post acquisition periods. Accordingly, the amount of this accrual has not been excluded from Symantec's non-GAAP results.

During the third quarter of fiscal 2013, we executed the final closing agreement for the VERITAS 2002 through 2005 tax years and recorded a benefit to GAAP net income of $3 million and a non-GAAP expense $2 million, based on the closing agreement, as well as a GAAP benefit of $2 million for the adjustment of other pre-acquisition tax accruals. The non-GAAP expense was due to the additional accrual of post acquisition related interest.

During the fourth quarter of fiscal 2013, we recorded a benefit to GAAP net income of $7 million for the state impacts of the VERITAS 2002-2005 final closing agreement. The benefit has been excluded from our non-GAAP results as it relates to a pre-acquisition contingency.

Release of tax contingencies: During the second quarter of fiscal 2014, we realized a GAAP tax benefit of $33 million for resolution of a tax matter related to the sale of our 49% ownership interest in the joint venture with Huawei during the fourth quarter of fiscal 2012. The related gain on the sale in the fourth quarter of fiscal 2012 was excluded from non-GAAP results and, accordingly, we have excluded the tax benefit from our non-GAAP results.

During the second quarter of fiscal 2014 we settled the Symantec 2005 through 2008 IRS audit. As a result, we realized a non-GAAP benefit of $24 million related to this settlement.

Change in valuation allowance: As a result of an election made for state income tax purposes, we determined that it is not more-likely-than-not that we will utilize certain of our state tax credit carryforwards based on GAAP income allocated to the state. Accordingly, during the second quarter of fiscal 2013, we recorded a valuation allowance against certain state tax credit carryforwards.

In connection with the settlement of the Symantec 2005 through 2008 IRS audit during the second quarter of fiscal 2014, we reassessed the amount of state tax credits to be utilized to offset the state tax liability for the amended returns. Accordingly, we have increased the valuation allowance for the additional amount of unutilized tax credits.

To enhance consistency and comparability of results across periods, we exclude the impact of these releases of the valuation allowance from our non-GAAP results.