Great. Thank you and good morning. Earlier this week, I was talking to a potential customer of ours, talking him to some of the trends that he was seeing and some of our vision of the future. And he stopped me in the middle of the discussion. He said, Francis, I don't know if I'm going to love [Julie] or I'm going to hate Julie.

And the truth is this conversation is being played out in IT departments around the world. You see, IT loves the benefits that Julie is seeing from using technology like mobile devices, like social networking, like cloud-based services to drive a transformation in their businesses.

But they also recognize that these technologies if they're unmanaged, they can put the companies that they work for in more risk than they've ever been. And since we continued our conversation it became clear IT feels like they're caught between this battle, this war between productivity that all these technologies promised and protection.

And they feel like they have to choose that they can let people bring their own devices in and connect them to the network. They can let people use cloud-based services or they can choose to protect their companies.

Now, we at Symantec fundamentally don't believe that choice. Just as the breaks in a racing car actually allowed the car to go faster, our philosophy is around delivering protection that enables companies to go after the productivity benefits associated with a lot of the trends that you heard earlier today.

So, we think about, you know, where we are today and the next year, we're actually starting this fiscal year from a good position. When we put together the enterprise group last year, we talked about all the things we wanted to get done over the course of the year and we've made a lot of progress.

As we start this year, we're coming off seven consecutive quarters of year-on-year revenue growth in the enterprise -- in the enterprise business. We've continued with the integration of the acquisitions that we've done over the course of the year.

We continued to integrate VeriSign and in the March quarter, we did the switch over from the VeriSign branded website field to the Norton branded website field without missing a stride in that business. That's a big change resulting in almost 1 billion impressions a day off the Norton signs.

We're particularly pleased by the performance of VeriSign. VeriSign has exceeded plan and delivered growth every quarter since the acquisition. Over the course of the year, we also acquired LiveOffice and Clearwell extending our information intelligence portfolio by adding -- the world's best eDiscovery and cloud-based archiving into the portfolio.

In the March quarter, we also announced two smaller acquisitions, Odyssey and Nukona that strengthen our position in mobile management and security. In addition to the acquisitions, we had a big focus on organic innovation to drive differentiation in our portfolio.

This resulted in 282 patents being awarded to Symantec over the course of the last year. And if you look at across our portfolio whether it's our patent pending approach using big data to drive security intelligence, our next generation deduplication everywhere technology. There are innovations that we have developed at Symantec that are showing up across our portfolio.

Over the course of the last year but perhaps a little more backend loaded, we also did a major refresh of our portfolio starting with SEP12 that we shipped in the fall. And then in the March quarter, we shipped our NetBackup 7.5, the next generation of our Backup exec technology. We shipped a major version of Clearwell.

So, across the board, we've done a refresh of our portfolio incorporating a lot of the innovations that I talked about. Those releases have been well accepted in the market. Our customer net promoter score which is a measure of our customer satisfaction on the enterprise side is the highest it's been in the last five years.

That's also energized our team, our employee net promoter score that we measure is the highest it's been in six years. And so, we're starting the year with a lot of work being done over the course of the last year in a better position than we were even a year ago when I was here talking to you.

So as we think about what we want to get done over the course of this fiscal year, there are two areas we're focusing on. We believe there is opportunity for us to drive organic growth by strengthening our core business and driving growth in the emerging trends.

In the core business, we're going to focus on three things. Enrique talked about the fact that we at Symantec have a privileged position in security and we're going to use the strength of our relationship with chief information security officers all over the world to talk about how companies can better deal with the escalating threat landscape, leveraging our strength in offerings like data loss prevention and managed security services to talk about our broader security portfolio to deliver advanced persistent protection. And we'll talk a little bit more about that.

Next, we talked about the fact that our appliances are seeing good traction in the market. These appliances deliver integrated Backup and deduplication and really take advantage of a number of innovations that we think uniquely position us in a very attractive market. So I'll talk about that, too.
And then third, if you think about our core businesses, we think there is opportunity for us to continue to drive operational efficiency in our businesses. That will allow us not only to see some savings but also to focus more of our R&D effort to deliver innovation and new capability and then also increase the velocity of our business.

Let's talk about each of those. First in security, we at Symantec as you know, have the world's largest global intelligence network with probes -- about 0.25 million probes in over 200 countries and territories. So we have a unique point of view around what's happening in the threat landscape.

In 2011, we blocked 5.5 billion threats. That's up 80% year-on-year. But more important than maybe just the number of threats is the kind of threats we're seeing. We continue to see a growth in threats that are more advanced and more targeted, more custom than they used to be before.

To deal with those threats then, we spent a lot of time thinking about how we can deliver technology that addresses these custom advanced attacks and protects customers. So, first thing we've done is really innovate around how we identify those threats.

A year ago, I talked to you about our reputation-based security approach which doesn't rely on signatures anymore but relies on the fact that we have this massive footprint of endpoints and systems that we protect and that we can look at a file and ask ourselves if we've ever seen it before. And that if we haven't, well, that tells us something about how much you can trust that file.

We've expanded the concept of reputation-based security in a very big way. We built a patent pending backend system that looks at one 1.5 trillion pieces of security data to deliver reputation verdicts on 145 million files every six hours, right?

This reputation-based security, we believe, is unmatched. It's built into our SEP product that we launched in the fall and we're rolling it out to our enterprise security portfolio. I can talk to you about the benchmark results that we're seeing Dennis Labs did a great test in the March quarter that compared us against trend.

We got a 100% of their -- of the malware they had, [trend for] 36 %. But instead of going through the benchmarks, I'll give you a quick anecdote. In the March quarter, a Fortune 50 company replaced McAfee on their endpoints with Symantec, so they rolled out our SEP12 release across there, I think it was 160,000 endpoints at the time.

And the first four days of rolling it out, they caught 4.3 million threats, pieces of malware that McAfee had not found, right? So, really, are seeing strong performance of this reputation based security approach.

Now, we're combining that with our heuristics, our behavior-based heuristics work that we're doing, with the anomaly detection work we're doing. So we're going to continue to innovate there, but we're excited about, you know, the innovations we have in detecting threats.

Next, we're going to continue to focus on helping companies protect their information assets and the next generation for us there in this data loss prevention category is really marrying, classifying the information with ownership of the information. So we talked about the fact that we're able to leverage file system technology for its security capabilities, to tell us who had accessed particular types of information.

And we're now able to build up anomaly detection to say, Okay, this person has legitimate access to the network, but they don't usually do this. They don't usually download this much data. They don't usually download this type of data. And we feel like that'll continue to really separate us from the rest of the market in terms of our capabilities around data loss prevention.

Next -- and James talked about the fact that we're hearing from more and more companies that it is hard for them to be able to recruit the security expertise they need to manage this threat environment.

That we believe is one of the drivers around the strength of our MSS offering, our Managed Security Services offerings. Gartner identified Symantec is the only company with global strength in MSS. And I think that we expect that trends to continue. So we're expanding our capability in terms of what we offer as an MSS offering all the way from the edge to the endpoint. And we're expanding our capability in where we offer it.

And then finally, we're going to be continue to be aggressive around exploiting what we see as some McAfee disruption. They've had some loss of talent. And we're going to continue to make sure that, you know, where they are not, we are.

SO that's what we're doing around advanced persistent protection. Next, a big focus area for us is around our backup and de-duplication appliances. We talked about the fact that this is something we launched only in the last couple of years and we've seen really strong growth already.
And we think it's at the stage now and at the scale now where it will make a difference to Symantec overall -- over the next year. So why do we think we have an opportunity to drive disproportionate growth here?

A few things -- one, the reality is a lot of people buying the de-duplicate ability are buying it against the NetBackup infrastructure they have. So these are our customers already. In a lot of cases, typically, they are using de-dupe on again, NetBackup. So we're starting with a relationship with those customers.

Next, the message around integrated backup media server and de-dupe resonates in terms of simplifying the task associated with deploying this capability. Third, our view around de-dupe and our innovation around de-dupe anywhere really represent the next generation of de-dupe technology.

That's the first generation of savings you could get by doing just the target side de-duplication that was offered by companies like Data Domain. But that companies can recognize more significant savings if they de-dup everywhere, not just at the target of the source, at the media server, at the archives, and at the target.

Not only will they save in backup volumes and storage, but it'll actually lower the amount of network traffic that they see because they will be shipping less bits around -- between these different places.

So, I think those things combine to create the opportunity that we're seeing right now. Going forward, we think there are other ways we can differentiate our offering to continue to grow in this market. As we look to this fiscal year, we'll look to use some of the technologies, again, from our file system group to deliver unmatched scalability of our appliances.

Next, we're looking to leverage all the technologies from our security portfolio, so critical system protection, for example, to harden the appliance, Digital search from VeriSign to be able to identify the appliance.

We're actually using the VeriSign backend data center to deliver level three secured monitoring of those appliances. All the things I said are unique. We think they will matter to customers and allow us to see more growth in this space going forward.

We're also focused in expanding the addressable opportunity for us for these appliances. We will be adding 17 more countries to the list of countries that we can sell the NetBackup appliances and the Backup Exec appliance. And that expands the opportunity for us in this coming fiscal year.

And then finally, we're doing a lot of work around automating the backend operations associated with our appliance business. What we want to do is relentlessly focus on taking the friction out of getting those sales done, allowing us to do a higher volume of business going forward.

So those are things we're doing to focus on continuing to drive the growth of our appliance business. Next, we're focused on operational efficiency across the board. It falls in to a number of buckets. One bucket is just make it easier to do business with us at Symantec.

We embarked on a path a year ago to reduce the number of SKUs that we have by 90%. We are ahead on our first, over three years. We are ahead on our first year milestone. And so, I think we're tracking very well to do that.

Next, we're building in in-product licensing and renewal notification capability, especially into our high volume products. We saw good success when we did that in Norton. And so, we're looking to put that in SEP and BE.

And then next, we're going to continue to drive up the number of transactions that come to us through zero touch methods. So it's through EDI interfaces, for example, with our reseller partners -- the number of transactions that we get through our ecommerce capability. So we're going to do more to drive additional business to those zero touch channels.

Next, we're focused on our global workforce strategy. There are a couple of key components to that. One is we're refocusing our R&D teams into a smaller number of larger hub locations. We believe by doing that, we will get efficiencies and frankly, we'll get more productivity from our teams.

In the last year, for example -- the last two years, we shut down over a dozen R&D sites and focused people in our larger sites, the second part of that strategy is to have a balance between onshore and offshore. And we're going to continue to keep that number such that over 50% of our R&D team is in offshore locations.

The opportunity there is that as we buy companies, a lot of them -- the smaller companies don't have off shoring done yet and so we -- as we expand those teams, the opportunity is to expand them in our low cost offshore locations.
From a product perspective, we're also continuing to focus on what we're calling continuous availability. We've implemented instrumentation of our -- to our products so we get good data back around the customer experience in installing and using that product. And we're focusing on making sure that we continue to drive up the installed success rates of our product.

We are also planning -- we also implemented in Norton and are looking to implement in our enterprise product, some health -- self-healing technologies. So if we identify an issue in a product, we can remediate that proactively.

And then next, we're focused on improving the customer support experience. There is a lot of work going on in driving that. Things like upgrading our systems infrastructure, so we're moving to a CTI phone system this summer. We're upgrading our application that we use to track cases.

We've overhauled our call scripts to really simplify the number of steps it takes from a customer calling to a customer getting resolution of what they do. We think that that will -- that improves customer experience. It will help us in our relationship with the customers.

So all this combines the overall bucket of continuing to drive operational improvement in our businesses. As we look then to the future, you heard a lot about the trends around mobility, around virtualization, around cloud, and there are a number of things that we are doing that will have some revenue benefit in the fiscal year, and will position us very well for longer growth opportunities, and one of those is around mobile.

Everybody hears the trends around the growth in mobile usage, even in the enterprise market. The growing trend of bring your own devices, bring your own applications, as people bring a consumer device running applications that they choose and use it to do business.

What we are committed to doing at Symantec then is helping corporations embrace those trends and get the productivity associated with those trends while remaining protected. To do that, we've put together the broadest capability around managing the mobile infrastructure in companies.

Our IT mobile management suite offers device management and security across platforms, so we do, for example, anti-malware on Android, but we also allow you to apply security policies on iPods, we allow you to do remote wipe of devices, so a lot of our work around actually managing the device.

But as well know, going forward, a lot of the devices coming into companies won't be owned by IT. So we've put a lot of focus on, actually, helping companies manage the information on those devices even if they don't own the device.

In the March quarter, we announced our data loss prevention for tablets capability that allow companies what information is on that device and apply policies around how that information should be used. We're also focused then on helping companies manage applications. Our research shows that 59% of businesses today are making their line of business applications available on mobile devices.

And so, we offer them the ability to wrap those applications with security to apply policies around authentication, for example, what people need to do to sign on to those applications. To apply policies around what they can do with data from those applications. Can they export it to other applications? And so, we allow you to apply security around an application even if it lives on a device you don't own.

So our strategy here is not only to help companies manage devices they own, but protect information, regardless on whose device it is and also protect the applications, regardless on whose device it is.

I'll talk about O3 in a minute when I talk about our protection for the cloud. But the idea there is that increasingly these devices are only useful when they're connected to a cloud back end. And so, part of a mobility strategy has to include how do you protect Cloud-based services and that's what O3 does.

And then we've taken our VeriSign user authentication capabilities and made them available on mobile devices. So a very broad portfolio of capabilities around helping companies to manage mobility.

Virtualization, what we've done is really spent a lot of time thinking about how we can help companies protect their virtual infrastructure, both virtual servers, as well as VDI infrastructures. This topic is becoming increasingly relevant today as companies are embarking on the next step of their virtualization journey, where they're moving to virtualized business and mission critical applications and there, protection is a key part of the equation.

So we deliver a set of capabilities around helping companies harden the physical servers that they run their images on using our critical system protection capability. We have integrated our managed security services capabilities into virtualized environments so that we can monitor virtual environments for companies.
We've integrated our data loss prevention capability into virtual environments so that you can monitor information usage in those images. We've taken our back-up and recovery capability and allowed companies to deploy a single unified platform that does backups across the physical and virtual infrastructure. We think there's still an opportunity to consolidate that in companies.

Our research shows that the average enterprise still has seven different back-up products, that they're using a different back-up for physical, a different one for virtual, one for tape, one for disc, brand office, head office, we think there is an opportunity to have a conversation around a unified back-up infrastructure for our companies.

And then on our application high availability side of our portfolio we've delivered AppHA and virtual business service capability that allows companies to make sure those business critical applications that they are virtualizing continue to be highly available and that is important.

All of this adds up to a deep relationship with VMware so that we can jointly tell customers that a virtualized application is going to be more secure, more available and more compliant than a physical infrastructure. To do that I said we have a lot of deep engineering relationships and VMware. We're also design partners with them as they think about their protection needs going forward and then Bill later on is going to talk about the go-to-market activities that we have going on with VMware but then also Red Hat because increasingly they are a key part of this equation.

Next, we'll talk about the Cloud and our approach here is there are several parts to it. One is we're going to continue to make sure that we deliver protection capabilities as a Cloud-based service for companies that want to consume it that way.

You've seen for us in the last year we have continued to expand the portfolio that we deliver as Cloud-based services. So it started as mail delivery and we added [SEP.cloud, BE.cloud] but we've also added some net new services that don't have, for us, an on-prem component.

So trust services, the set of offerings that we've gotten through the Verisign acquisition, and so, we're going to continue to look at what parts of protection makes sense to deliver as a Cloud-based service. And we believe that there will be a segment of the market that will want to consume that capability in that form factor.

Next, we are helping companies secure their own private Clouds. We talked about the work we have going on from a high availability perspective, about the work we have going on around hardening virtual infrastructures that form the underpinnings for private Clouds today. We are also doing work in partnership with other companies to secure the use of their Clouds and a notable example there is the relationship with Microsoft around Office 365 to deliver archiving and hosting archiving and data loss prevention around trust companies' use of Office 365.

And then a big offering for us around protecting the Cloud is O3. Enrique touched on it but really O3 focuses on three core capabilities. As we talked to companies about what was a big hurdles they saw around and fully embracing services they've identified three things.

The first thing they said is access control. They're worried about who has access to what Cloud based services and for how long. And they're happy for you to sign up for salesforce.com when you join the Company but they're very worried that you will take that access with you when you leave.

And so, what they want is the ability to provision their own employees with accounts on Cloud in the same way that they would when you join the Company on your own internal networks. They want to control that access, so that if you leave they can just turn it off by just turning you off in the directory like they do with your access to any internal applications.

So the first thing they want is access control but the benefit to the employee is they also get a single sign-on that they can use their active directory credentials that they use to log on to Windows and they automatically get signed into the Cloud-based services that our company has adopted.

The second thing they're worried about is information security. So they're saying, alright, you find that you can use this service but we want to make sure that you're putting only appropriate information in those Cloud-based services and that we can apply some security around some of that information.

For example, we may always want this kind of information to be encrypted as it goes to a Cloud-based service, so they're looking for information security, protect the information as it goes to the Cloud, and then third, they are looking for a governance capability. We did do what and when. Those are important questions from a security perspective. Those are important questions from a compliance perspective.

So those three things, what we built into our roadmap for O3. We launched it at the end of the March quarter and we're seeing really good interest from our corporate customers around embracing O3 and protecting their use of the Cloud.
And then we're looking to continue to expand our roadmap around trust services and user authentication. I talked about the fact that we continue to see strength in that part of the portfolio. Our approach with trust services has always been to continue to provide a premium product and remain differentiated from SSL providers in the market. And so, trust services SSL but it also delivers, for example, Web Malware scanning or vulnerability assessment from the Cloud.

And so, we're going to continue to focus on delivering a differentiated trust services capability and keeping the premium position in the market while letting our [feeder] brand address the commodity part of the market.

And then user authentication, we're seeing growth in our user authentication offering in the enterprise market. A lot of companies are frankly tired of the old hardware-based token approach to strong authentication. It's expensive to manage that infrastructure and they are looking to move to a next-generation software-based user authentication capability which we offer and we believe that's driving the growth that we see in this market.

So as we look over the course then of this year this is what we have lined up in terms of releases. I talked about the fact that we've already done the trust services Norton branding. We already released the backup Exec 3600 appliance and the MSS portal 5.1. As we look forward virtualization is going to be one of the key themes around the releases you see, our SEP Jaguar release that comes out later this year delivers the next generation of our virtualization endpoint security capability as does backup Exec 2013.

We talked about some of the innovations around our next back-up appliance focused on scalability, and then data-loss prevention 12.0 and data insight 4.0 are really around protecting companies from the growing insider threat bringing together both classification capability as well as data ownership capability.

And then running along the year we will release updates to our Cloud-based services. As you know with Cloud-based services you don't have a product release that you do once a year. You continue to release innovations on a more regular basis over the course of the year.

And so, as we think about then this year we think the opportunity in front of us is to take a differentiated approach to the markets and drive organic growth that will help us take share. To do that and we're focused on two main areas.

In strengthening the core we think we will see growth from a revenue perspective this year around some of our advanced persistent protection capabilities, notably DLP and MSS that will then us to talk about the rest of our security portfolio, continue to focus on driving growth and then the success we're seeing in the backup and de-duplication appliances, drive operational efficiency.

And then from a future perspective we think there is an opportunity for us to help companies protect their use of mobile, of Cloud and of in virtualization for mission critical applications.

I know that I talked last year and we were kicking out the enterprise loop I think one of you had said to me, the key way you'll know if you're on the right path, at least, is if you feel you've got your mojo back. And I don't know if it might have been John who said that or one of you who said that.

So I want to talk about where the team is right now is, right. So I've said we do our employee net promoter surveys, the morale of our team is the highest it's been in six years. We have launched an internal contest, two actually, one on the data center and one in security. On the security side we launched a cyber war games contest in the March quarter of this year, a volunteer contest, no real prize even, opened up to the whole company.

When Enrique and I were talking about it, we thought maybe a 100 of our top security people would participate. In a few hours we had 600 people sign up and we had to stop. It was, I think, the largest non-military cyber war games ever had. We had a military adviser to the sitting president attend. People are pretty fired up about our mission on protection. So I think we're on the right track.

So with that I'm going to stop and open it up for questions.

**QUESTION AND ANSWER**

**Ed Maguire - CLSA - Analyst**

Hi, Francis, it's Ed Maguire from CSLA. One of the scenes that you hear among competitors in the industry both on the storage and the security side is a growing focus on service providers.
And I was interested to get your perspective on what of your products and how much of the opportunity areas support some of the knowledge and the IP that you have around both your managed services but also the appliances, how much an opportunity you see service providers is providing incremental growth where you compare it to traditional enterprise.

Francis deSouza - Symantec Corporation - Group President - Enterprise, Products & Services

Sure. So it's a great point. And there are a couple of flavors of service providers that I'm going to talk about. Overall service providers are becoming a more important part of the market.

One flavor of managed service providers really targets the small business segment. And what they do is they remotely manage the infrastructure for small businesses. They are truly a big growth sort of area in that SMB segment.

And so what we have done is really embrace MSBs as another route to get to those customers. And what we've done then is look at our portfolio and take each part of our portfolio that plays well in the SMB segment and integrate that product into the leading MSB platform, the technology platforms they use to do their remote management.

So if you look at SEP, for example, we have integrations of our endpoint protection product into those remote monitoring and management platforms that they use. BE, for example, has built in integration.

And that's an essential part of having those managed service providers embrace your portfolio because if they can remotely manage your product (inaudible) and so they're more inclined to sell it. That's capability that we brought on over the last fiscal year. And so we really expected to start paying off over the course of this fiscal year.

Another flavor of service providers represent Telcos. And they're increasingly becoming a route to market, some on the consumer side but also for some capabilities on the enterprise side.

And so we're looking certainly around the mobile offering that we have to understand how we can collectively go to market. We have a number of successes already with Telcos around taking our protection capabilities, offering it to consumers. One Telco in Europe actually charges consumers on a monthly basis for the protection that we offer. And I think that's still in front of us as an opportunity.

John, you had a question?

John DiFucci - JPMorgan - Analyst

Hi, Francis, this is John DiFucci from JPMorgan. Francis, recently you take a look at, at least with IDC, how they track your markets. And in five markets where Symantec is the leader, major markets, and one of them is not a huge consumer, but the rest are, there's corporate endpoint, backup and recovery storage management foundation and then high availability and clustering.

In the last five years, Symantec has lost share in all those markets. You're still a leader, but you've lost share. To your team's credit, that share stabilized last the couple of years. And a few years ago, I remember at one point backup and recovery -- maybe it was five years ago -- you had some problems with a release there.

But more recently, we hear really good things from the field, from your customers about your products. I guess my question is is it all about the products? And at this point, now that you may get share, can you turn the corner and actually drive share gains here?

And is there something -- I know we're getting Bill here too -- here soon so not just product itself, so sales. But on the product side, how can you drive increased share at this point? Because if you do that, the stock will look a lot different.

Francis deSouza - Symantec Corporation - Group President - Enterprise, Products & Services

Thank you, John. So look, we absolutely believe that the things we are doing -- and I talked about we're doing from a security perspective, what we've got lineup from appliances perspective. But then you will also hear about the changes we're making, for example, on the sales side on the work we're doing or from the marketing side.
We absolutely believe that the things we are doing, the things we have lined up for the course of this year will enable us to drive organic growth and take share in those key markets so endpoint protection, for example, backup, de-dup. The plans we put together, the work that we've got going on is targeted to that. And I'm feeling good about our ability to drive share gains in those markets.

**John DiFucci - JPMorgan - Analyst**

So the mojo.

**Francis deSouza - Symantec Corporation - Group President - Enterprise, Products & Services**

The mojo, we got the mojo.

**Aaron Schwartz - Jefferies & Co. - Analyst**

Hi, I'm Aaron Schwartz from Jefferies. I had a question about the endpoint protection business. I know there's some fears longer term of the trajectory of that business and I think the '12 release has done a nice job here to stabilize it.

But can you talk about sort of how you sell the mobile management piece? Is this sold at the renewal time for SEP -- can you sort of increase the pricing there with some up-sell of mobile management or this is a completely different SKU sale where you start all over with somebody new in the organization?

**Francis deSouza - Symantec Corporation - Group President - Enterprise, Products & Services**

Sure. So a bunch of questions there. What we are finding is that mobile security is a part of almost every conversation we have whether we meant to start there or not, around security and around the endpoint. The reality is we walk into any corporate IT department today and I can see people walking in with iPads. It's only half a joke that in a lot of companies actually, the people bringing the iPads in are executives.

And so IT doesn't even feel like they have the ability to say no, in fact, the person to bring the first iPad into Symantec two years ago was Enrique, right? And he showed up with a brand new iPad and said, great, we're going to figure out how to connect this into the corporate network.

And it turns out we weren't the exception, that in a lot of companies it's executives driving the phenomenon of mobility, the BYOD. And it is a top of mind issue for security teams within companies and endpoint teams within companies, then how do we sell.

In some cases, it is part of a renewal process, but generally, it's actually a separate thing on its own where people ask us for advice around how should we think about it. Should it be something that we protect our own devices, how do we manage devices that aren't ours.

So in a lot of cases, that's a separate conversation but with the same buyers, it's typically the endpoint team in conjunction with the security team. So the same person that buys our endpoint protection product is having that conversation.

But it's a very out of cycle conversation and the conversations, at least, are happening everywhere now. Some people are just putting together their strategies. Some people are kicking tires. But not all of them are buying right now, but the conversations are happening.

**Aaron Schwartz - Jefferies & Co. - Analyst**

And so if we think about the traditional endpoint protection business, it's a very saturated market, Global 2000 companies have endpoint protection. What's your view on sort of mobile management? And what percent of maybe sort of seats have mobile management protection in '13 or '15 or a couple of years out?

**Francis deSouza - Symantec Corporation - Group President - Enterprise, Products & Services**
Sure. So the opportunity in the traditional endpoint, let me talk about that first and then I'll talk about mobile. So where are the opportunities in traditional endpoint? One is the reality is it's still a highly fragmented market by share. So you can still drive growth in that market by taking share, right?

And I talked about, for example, a McAfee disruption in the enterprise and large enterprise. But we see opportunities to take share in SMB as well, right? So it may be a mature market that's sort of flat, just slightly up, slightly down.

But it's a fragmented market and there is an opportunity to take share. There's also a growing installed base of Mac clients that are showing up in enterprises. That represents an opportunity for endpoint protection.

Going forward, there's obviously a lot of growth in the use of mobile devices in corporate environments. The opportunity there is twofold, manage those devices, but actually maybe a bigger part of the opportunity is manage the information and application on those devices because the way that market is playing out right now is different from the way it played out in the PC side.

The PC side, the first security conversation was Give me anti-virus on the PC. And then later we talked about data loss prevention on the PC. It's inverted on the mobile device. In the mobile device, the first security conversation is I'm not worried if they lose the iPad. I can wipe it. I'm much more worried about the information on that device.

So we think that security conversation is first going to be around information security on those mobile devices. And then the core area is, look, information protection is a higher value sale than device management.

If you look at how it played out on the PC side, the price point per endpoint for anti-malware is lower than the price point per endpoint for data loss prevention. So I think that represents an opportunity in the mobile arena as well.

Unidentified Participant

Francis, back here. So just a quick question on archiving. The segment review shows that that has essentially declined last year and you guys have actually been putting like precious M&A capital to work in that market. I'm surprised that it's declined. I just wanted to get a little more background on what the decline there was.

Francis deSouza - Symantec Corporation - Group President - Enterprise, Products & Services

Sure. So last year, we did see a decline in our on-premise archiving offering. And what we heard from customers was two things. One, we heard that increasingly, they were starting to look at cloud-based archiving as the answer for that.

And they were saying, look, a lot of the growth is happening in the cloud -- still an important capability. We still want archiving. But the growth is happening in the cloud-based capability.

The second thing they told us was the eDiscovery capability we had that was an add-on to or archiving product was not meeting their needs. And so while there was growth in eDiscovery, we were no longer participating in that growth because they needed more rich, more feature-filled products like Clearwell.

Now, the secular trends though in that space are still really good. The things that drove the need for archiving are still -- there are things that drive the need for eDiscovery are still there. But we needed a different mix to really get after that growth. And that's what drove our acquisitions of both Clearwell and LiveOffice. We think that current combination addresses the need that that market has.

Unidentified Participant

Just a similar question on the security side. We've seen some of the newer companies try to solve their APT problem in the network. And it seems like in general there's kind of theme of you can't control the endpoint so you can control the network still. You solve these problems through the network.

And I'm just wondering, the Company has always been averse to getting into the core network market, probably had plenty of opportunities to do so. And as you look forward, I mean, can the Company continue to have the strategy of solving everything without having to position into some of these core network security markets?
Francis deSouza - Symantec Corporation - Group President - Enterprise, Products & Services

Sure, sure. So I'll start by saying, look, the network security business is a good business and there are companies that are doing well in that business. So this is a knock on that business at all. I'll talk about APTs and how we're thinking about it. There are a set of things you can absolutely do in the network to go after APTs. But as we look to the future, a lot of the computing action is not happening on your network, right?

This is people using their devices wherever they are to access your information, right? And your information may live in a third-party data center in some other SAS application. And so you still have threats that are targeting you in that set up, people using their own device wherever they are to connect to your data in a third-party cloud application, right? Network-based security doesn't help there.

So I'd say while there are things you can do to address APTs in a network layer, our focus is going to be much more around follow the information because that's really the target of the attackers. That's really where you want protection and that you'll never get the sum total of APT protection from the network-based security because there are a lot of scenarios where your network doesn't show up at all. Right?

So I would reject the notion that APTs are going to be solved in your network because you may not be there at all.

Kash Rangan - Bank of America/Merrill Lynch - Analyst

Hi, Kash Rangan with Merrill Lynch. Frank, this is a question for you on the Red Hat partnership. How much of an opportunity, new opportunity is Linux for the storage management business? How much penetration of solutions is there already in place? What does the competition look like? And I guess they sell a subscription, you guys sell a license. How are you going to be aligned in terms of sales promotion with Red Hat to uncover the Linux opportunity? Thank you.

Francis deSouza - Symantec Corporation - Group President - Enterprise, Products & Services

Great. A lot of questions there. I'll answer some of it. I know Bill is going to talk about it, too, from a, you know, joint go-to-market perspective.

So I'll start with saying that, look, we definitely believe there is a good opportunity with Red Hat to go into the data center. The opportunity exists because, today, a lot of companies are thinking about moving their mission-critical applications off Solaris on to Linux. Right? And mission-critical applications have different requirements around things like high availability than what they've typically run on Linux.

And what some companies are finding is that the open-source tools around delivering that high availability just aren't enough if you truly are running a trading application, for example, or an airline reservation system.

And Red Hat also appreciates that. And what they're excited about is that we can bring a high availability capability that they can then take to market to help companies embrace more fully, moving those mission-critical applications on to a Linux platform. For Red Hat, that represents the next stage of their growth story. And we are an essential part of that growth story.

The competition is to use open-source tools. And while there are some scenarios where open-source tools deliver the availability you want, in a mission-critical environment, I would argue there are not really competitions. Right? Now, I think so, but there's work that we need to do between our companies to make sure that if we are lined up to be able to tell the story properly.

You talked about the fact that, you know, they're subscription and more on the support model, we are license, they don't typically re-sell. But the good news is that there is a compelling opportunity. You know, there is a lot of benefit for both of us to get together and work this out.

And we had already some good traction with them. Linux represents a double-digit growing part of that portfolio. And so for both of us, it's a high incentive to make sure we get those things right.

Unidentified Participant

Francis, you have time for another question?
All right, I got one more question. And [Rowan’s] giving me the yank. Or not, well, thank you very much.

I want to introduce Rowan Trollope, group president of our SMB and dot Cloud business. He's going to talk to us about our plans there.