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Fourth Fiscal Quarter 2019 Supplemental Information ^{(1) (2)}
(Dollars and shares in millions, except per share data, unaudited)

	Q4FY19	Q4FY18	Y/Y Growth	FY19	FY18	Y/Y Growth
Revenues and Earnings Results						
GAAP Revenues	\$1,189	\$1,210	(2%)	\$4,731	\$4,834	(2%)
Non-GAAP Revenues	\$1,195	\$1,222	(2%)	\$4,762	\$4,960	(4%)
Diluted GAAP EPS	\$0.05	(\$0.10)	\$0.15	\$0.05	\$1.70	(\$1.65)
Diluted non-GAAP EPS	\$0.39	\$0.44	(\$0.05)	\$1.59	\$1.67	(\$0.08)
Revenues by Segment - Non-GAAP						
Enterprise Security	\$590	\$608	(3%)	\$2,354	\$2,617	(10%)
Consumer Cyber Safety (previously Consumer Digital Safety)	\$605	\$614	(1%)	\$2,408	\$2,343	3%
Expenses and Profitability - Non-GAAP						
Operating expenses	\$633	\$587	8%	\$2,520	\$2,479	2%
Operating income	\$347	\$435	(20%)	\$1,445	\$1,710	(15%)
Operating margin	29%	36%	(700 bps)	30%	34%	(400 bps)
Net income	\$256	\$298	(14%)	\$1,050	\$1,115	(6%)
Diluted weighted-average shares outstanding	662	675	(2%)	661	668	(1%)
Balance Sheet, Cash Flow, and Other Metrics						
Cash, cash equivalents and short-term investments	\$2,043	\$2,162		\$2,043	\$2,162	
Cash flow from operating activities	\$547	\$266		\$1,495	\$950	
Purchases of property and equipment	\$54	\$37		\$207	\$142	
Free cash flow ⁽³⁾	\$493	\$229		\$1,288	\$808	
Contract liabilities ⁽⁴⁾	\$3,056	\$3,103		\$3,056	\$3,103	
Stock repurchases - number of shares ⁽⁵⁾	11	-		11	2	
Headcount	11,923	11,830		11,923	11,830	

⁽¹⁾ This presentation includes non-GAAP measures. Non-GAAP financial measures are supplemental and should not be considered a substitute for financial information presented in accordance with GAAP. For a detailed explanation of these non-GAAP measures, please see Explanation of Non-GAAP Measures. For a reconciliation of our non-GAAP financial measures to the comparable GAAP financial measures, please see the following trended reconciliation pages.

⁽²⁾ We adopted the new revenue recognition accounting standard (ASC 606) on a modified retrospective basis during Q1 FY19. The results for Q4 FY19 and FY19 are presented under the new revenue recognition accounting standard, while prior period amounts are not adjusted and continue to be reported under the prior revenue recognition accounting standard (ASC 605).

⁽³⁾ Free cash flow is defined as cash flow from operating activities less additions to property and equipment.

⁽⁴⁾ As a result of ASC 606, amounts we have previously referred to as deferred revenue are now referred to as contract liabilities, which consist of the total of what is now identified as deferred revenue and customer deposit liabilities in all schedules throughout this document.

⁽⁵⁾ The number of shares repurchased is reported based on trade date. As of March 29, 2019, repurchases of approximately 1 million shares were executed but not settled until April 2019.



Reconciliation of GAAP to Non-GAAP Revenue Detail ^{(1) (2)}
(Dollars in millions, unaudited)

	Q4FY19	Q4FY18	FY19	FY18
Revenues by Segment				
Enterprise Security	\$ 584	\$ 597	\$ 2,323	\$ 2,554
Contract liabilities fair value adjustment	6	11	31	63
Exclude foreign exchange impact ⁽³⁾	15	-	14	-
Enterprise Security constant currency adjusted revenues (Non-GAAP)	\$ 605	\$ 608	\$ 2,368	\$ 2,617
Consumer Cyber Safety	\$ 605	\$ 613	\$ 2,408	\$ 2,280
Contract liabilities fair value adjustment	-	1	-	63
Exclude foreign exchange impact ⁽³⁾	9	-	4	-
Consumer Cyber Safety constant currency adjusted revenues (Non-GAAP)	\$ 614	\$ 614	\$ 2,412	\$ 2,343
Revenues by Segment - Y/Y Growth Rate (GAAP)				
Enterprise Security	(2%)		(9%)	
Consumer Cyber Safety	(1%)		6%	
Revenues by Segment - Y/Y Growth Rate in Constant Currency (Non-GAAP)				
Enterprise Security	(0%)		(10%)	
Consumer Cyber Safety	0%		3%	

Organic Growth in Constant Currency ⁽⁴⁾				
Total revenues (GAAP)	\$ 1,189	\$ 1,210	\$ 4,731	\$ 4,834
Contract liabilities fair value adjustment	6	12	31	126
Exclude foreign exchange impact ⁽³⁾	24	-	18	-
Adjustment for divestitures	-	-	-	(238)
Adjusted revenues for acquisitions and divestitures (Non-GAAP)	\$ 1,219	\$ 1,222	\$ 4,780	\$ 4,722
Organic Growth Rate (Non-GAAP)	(0%)		1%	
Organic Growth in Constant Currency - Enterprise Security ⁽⁴⁾				
Total revenues (GAAP)	\$ 584	\$ 597	\$ 2,323	\$ 2,554
Contract liabilities fair value adjustment	6	11	31	63
Exclude foreign exchange impact ⁽³⁾	15	-	14	-
Adjustment for divestitures	-	-	-	(238)
Adjusted revenues for acquisitions and divestitures (Non-GAAP)	\$ 605	\$ 608	\$ 2,368	\$ 2,379
Organic Growth Rate (Non-GAAP)	(0%)		(0%)	
Organic Growth in Constant Currency - Consumer Cyber Safety ⁽⁴⁾				
Total revenues (GAAP)	\$ 605	\$ 613	\$ 2,408	\$ 2,280
Contract liabilities fair value adjustment	-	1	-	63
Exclude foreign exchange impact ⁽³⁾	9	-	4	-
Adjusted revenues for acquisitions (Non-GAAP)	\$ 614	\$ 614	\$ 2,412	\$ 2,343
Organic Growth Rate (Non-GAAP)	0%		3%	

⁽¹⁾ This presentation includes non-GAAP measures. Non-GAAP financial measures are supplemental and should not be considered a substitute for financial information presented in accordance with GAAP. For a detailed explanation of these non-GAAP measures, please see Explanation of Non-GAAP Measures.

⁽²⁾ We adopted the new revenue recognition accounting standard (ASC 606) on a modified retrospective basis during Q1 FY19. The results for Q4 FY19 and FY19 are presented under the new revenue recognition accounting standard, while prior period amounts are not adjusted and continue to be reported under the prior revenue recognition accounting standard (ASC 605).

⁽³⁾ Compared to Q4 FY18, foreign currency negatively impacted total revenue in Q4 FY19 by approximately \$24 million, Enterprise revenue by \$15 million and Consumer Cyber Safety revenue by \$9 million. Compared to our Q4 guidance, foreign currency positively impacted total revenue in Q4 FY19 by approximately \$2 million, primarily from Enterprise revenue. Compared to FY18, foreign currency negatively impacted total revenue in FY19 by approximately \$18 million, Enterprise revenue by \$14 million and Consumer Cyber Safety revenue by \$4 million. Compared to our FY19 guidance, foreign currency positively impacted total revenue in FY19 by approximately \$2 million, primarily from Enterprise revenue.

⁽⁴⁾ Organic growth in constant currency is defined as revenue adjusted for the contract liabilities fair value adjustment, foreign exchange impact, and revenue from our WSS and PKI solutions divided by the year ago revenue adjusted for the contract liabilities fair value adjustment and revenue from our WSS and PKI solutions.



Reconciliation of GAAP to Non-GAAP Revenue As If Reported Under ASC 605 ^{(1) (2)}
(Dollars in millions, unaudited)

	Q4FY19	Q4FY18	FY19	FY18
Revenues by Segment				
Enterprise Security (GAAP ASC 606)	\$ 584	\$ 597	\$ 2,323	\$ 2,554
Contract liabilities fair value adjustment	6	11	31	63
Exclude foreign exchange impact ⁽³⁾	15	-	14	-
Adjustment due to adoption of ASC 606	(21)	-	(47)	-
Enterprise Security constant currency adjusted revenues (Non-GAAP as if reported under ASC 605)	\$ 584	\$ 608	\$ 2,321	\$ 2,617
Consumer Cyber Safety (GAAP ASC 606)	\$ 605	\$ 613	\$ 2,408	\$ 2,280
Contract liabilities fair value adjustment	-	1	-	63
Exclude foreign exchange impact ⁽³⁾	9	-	4	-
Adjustment due to adoption of ASC 606	-	-	-	-
Consumer Cyber Safety constant currency adjusted revenues (Non-GAAP as if reported under ASC 605)	\$ 614	\$ 614	\$ 2,412	\$ 2,343
Revenues by Segment - Y/Y Growth Rate (GAAP ASC 606)				
Enterprise Security	(2%)		(9%)	
Consumer Cyber Safety	(1%)		6%	
Revenues by Segment - Y/Y Growth Rate in Constant Currency (Non-GAAP as if reported under ASC 605)				
Enterprise Security	(4%)		(11%)	
Consumer Cyber Safety	0%		3%	
Organic Growth in Constant Currency ⁽⁴⁾				
Total revenues (GAAP)	\$ 1,189	\$ 1,210	\$ 4,731	\$ 4,834
Contract liabilities fair value adjustment	6	12	31	126
Exclude foreign exchange impact ⁽³⁾	24	-	18	-
Adjustment for divestitures	-	-	-	(238)
Adjustment due to adoption of ASC 606	(21)	-	(47)	-
Adjusted revenues for acquisitions and divestitures (Non-GAAP as if reported under ASC 605)	\$ 1,198	\$ 1,222	\$ 4,733	\$ 4,722
Organic Growth Rate (Non-GAAP as if reported under ASC 605)	(2%)		0%	
Organic Growth in Constant Currency - Enterprise Security ⁽⁴⁾				
Total revenues (GAAP)	\$ 584	\$ 597	\$ 2,323	\$ 2,554
Contract liabilities fair value adjustment	6	11	31	63
Exclude foreign exchange impact ⁽³⁾	15	-	14	-
Adjustment for divestitures	-	-	-	(238)
Adjustment due to adoption of ASC 606	(21)	-	(47)	-
Adjusted revenues for acquisitions and divestitures (Non-GAAP as if reported under ASC 605)	\$ 584	\$ 608	\$ 2,321	\$ 2,379
Organic Growth Rate (Non-GAAP as if reported under ASC 605)	(4%)		(2%)	
Organic Growth in Constant Currency - Consumer Cyber Safety ⁽⁴⁾				
Total revenues (GAAP)	\$ 605	\$ 613	\$ 2,408	\$ 2,280
Contract liabilities fair value adjustment	-	1	-	63
Exclude foreign exchange impact ⁽³⁾	9	-	4	-
Adjustment due to adoption of ASC 606	-	-	-	-
Adjusted revenues for acquisitions (Non-GAAP as if reported under ASC 605)	\$ 614	\$ 614	\$ 2,412	\$ 2,343
Organic Growth Rate (Non-GAAP as if reported under ASC 605)	0%		3%	

⁽¹⁾ This presentation includes non-GAAP measures. Non-GAAP financial measures are supplemental and should not be considered a substitute for financial information presented in accordance with GAAP. For a detailed explanation of these non-GAAP measures, please see Explanation of Non-GAAP Measures.

⁽²⁾ We adopted the new revenue recognition accounting standard (ASC 606) on a modified retrospective basis during Q1 FY19. The results for Q4 FY19 and FY19 are presented under the new revenue recognition accounting standard, while prior period amounts are not adjusted and continue to be reported under the prior revenue recognition accounting standard (ASC 605).

⁽³⁾ Compared to Q4 FY18, foreign currency negatively impacted total revenue in Q4 FY19 by approximately \$24 million, Enterprise revenue by \$15 million and Consumer Cyber Safety revenue by \$9 million. Compared to FY18, foreign currency negatively impacted total revenue in FY19 by approximately \$18 million, Enterprise revenue by \$14 million and Consumer Cyber Safety revenue by \$4 million.

⁽⁴⁾ Organic growth in constant currency is defined as revenue adjusted for the contract liabilities fair value adjustment, foreign exchange impact, and revenue from our WSS and PKI solutions divided by the year ago revenue adjusted for the contract liabilities fair value adjustment, pre-acquisition revenue from the acquired companies, and revenue from our WSS and PKI solutions.



Supplemental Revenue and Performance Obligations Information
(Dollars in millions, unaudited)

	Q4FY19		FY19	
	ASC 606	ASC 605	ASC 606	ASC 605
Total Revenue Disaggregated by Timing of Recognition				
Upfront revenue	10%	5%	11%	7%
Ratable revenue	90%	95%	89%	93%
Enterprise Security Revenue Disaggregated by Timing of Recognition				
Upfront revenue	19%	8%	20%	12%
Ratable revenue	81%	92%	80%	88%
Consumer Cyber Safety Revenue Disaggregated by Timing of Recognition				
Upfront revenue	2%	2%	2%	2%
Ratable revenue	98%	98%	98%	98%

	Total POB	0 - 12 Months	13 - 24 Months	25 - 36 Months	Over 36 Months
Remaining Performance Obligations (POB) as of March 29, 2019 ⁽¹⁾					
Percent Expected to be Recognized as Revenue					
Enterprise Security	\$ 2,059	65%	24%	10%	2%
Consumer Cyber Safety	549	95%	4%	1%	0%
Total	\$ 2,608	71%	19%	8%	1%

⁽¹⁾ Remaining performance obligations represent contracted revenue that has not been recognized, which include contract liabilities and amounts that will be billed and recognized as revenue in future periods and exclude customer deposit liabilities of \$505 million. Percentages may not add up to 100% due to rounding.

Reconciliation of GAAP to Non-GAAP Segment Revenues and Operating Margin ^{(1) (2)}
(Dollars in millions, unaudited)

	Q4FY19			Q4FY18			FY19			FY18		
	GAAP	Adj	Non-GAAP	GAAP	Adj	Non-GAAP	GAAP	Adj	Non-GAAP	GAAP	Adj	Non-GAAP
Revenues												
Total Revenues	\$ 1,189	\$ 6	\$ 1,195	\$ 1,210	\$ 12	\$ 1,222	\$ 4,731	\$ 31	\$ 4,762	\$ 4,834	\$ 126	\$ 4,960
Total <i>YY Growth Rate</i>	(2%)		(2%)				(2%)		(4%)			
Revenues by Segment												
Enterprise Security	\$ 584	\$ 6	\$ 590	\$ 597	\$ 11	\$ 608	\$ 2,323	\$ 31	\$ 2,354	\$ 2,554	\$ 63	\$ 2,617
Enterprise Security - <i>YY Growth Rate</i>	(2%)		(3%)				(9%)		(10%)			
Consumer Cyber Safety	\$ 605	\$ -	\$ 605	\$ 613	\$ 1	\$ 614	\$ 2,408	\$ -	\$ 2,408	\$ 2,280	\$ 63	\$ 2,343
Consumer Cyber Safety - <i>YY Growth Rate</i>	(1%)		(1%)				6%		3%			
Operating Income by Segment												
Enterprise Security	\$ 42	\$ 6	\$ 48	\$ 96	\$ 11	\$ 107	\$ 269	\$ 31	\$ 300	\$ 473	\$ 63	\$ 536
Consumer Cyber Safety	299	-	299	327	1	328	1,145	-	1,145	1,111	63	1,174
Total Operating Income by Segment	341	6	347	423	12	435	1,414	31	1,445	1,584	126	1,710
Reconciling Items:												
Stock-based compensation	87	(87)	-	162	(162)	-	352	(352)	-	610	(610)	-
Amortization of intangible assets	111	(111)	-	112	(112)	-	443	(443)	-	453	(453)	-
Restructuring, transition and other costs	36	(36)	-	132	(132)	-	241	(241)	-	410	(410)	-
Acquisition-related costs	-	-	-	9	(9)	-	3	(3)	-	60	(60)	-
Litigation settlement	-	-	-	2	(2)	-	(5)	5	-	2	(2)	-
Total Consolidated Operating Income	\$ 107	\$ 240	\$ 347	\$ 6	\$ 429	\$ 435	\$ 380	\$ 1,065	\$ 1,445	\$ 49	\$ 1,661	\$ 1,710
Operating Margin by Segment												
Enterprise Security	7%		8%	16%		18%	12%		13%	19%		20%
Consumer Cyber Safety	49%		49%	53%		53%	48%		48%	49%		50%

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⁽²⁾ We adopted the new revenue recognition accounting standard (ASC 606) on a modified retrospective basis during Q1 FY19. The results for Q4 FY19 and FY19 are presented under the new revenue recognition accounting standard, while prior period amounts are not adjusted and continue to be reported under the prior revenue recognition accounting standard (ASC 605).

Reconciliation of GAAP to Non-GAAP Segment Revenues and Operating Margin As If Reported Under ASC 605^{(1) (2)}
(Dollars in millions, unaudited)

	Q4FY19				Q4FY18			FY19				FY18		
	GAAP	Adjustments	Effect of Adoption of ASC 606	Non-GAAP (As If Reported Under ASC 605)	GAAP	Adjustments	Non-GAAP	GAAP	Adjustments	Effect of Adoption of ASC 606	Non-GAAP (As If Reported Under ASC 605)	GAAP	Adj	Non-GAAP
Revenues														
Total Revenues	\$ 1,189	\$ 6	\$ (21)	\$ 1,174	\$ 1,210	\$ 12	\$ 1,222	\$ 4,731	\$ 31	\$ (47)	\$ 4,715	\$ 4,834	\$ 126	\$ 4,960
Total Y/Y Growth Rate	(2%)			(4%)				(2%)			(5%)			
Revenues by Segment														
Enterprise Security	\$ 584	\$ 6	\$ (21)	\$ 569	\$ 597	\$ 11	\$ 608	\$ 2,323	\$ 31	\$ (47)	\$ 2,307	\$ 2,554	\$ 63	\$ 2,617
Enterprise Security - Y/Y Growth Rate	(2%)			(6%)				(9%)			(12%)			
Consumer Cyber Safety	\$ 605	\$ -	\$ -	\$ 605	\$ 613	\$ 1	\$ 614	\$ 2,408	\$ -	\$ -	\$ 2,408	\$ 2,280	\$ 63	\$ 2,343
Consumer Cyber Safety - Y/Y Growth Rate	(1%)			(1%)				6%			3%			
Operating Income by Segment														
Enterprise Security	\$ 42	\$ 6	\$ (23)	\$ 25	\$ 96	\$ 11	\$ 107	\$ 269	\$ 31	\$ (60)	\$ 240	\$ 473	\$ 63	\$ 536
Consumer Cyber Safety	299	-	-	299	327	1	328	1,145	-	1	1,146	1,111	63	1,174
Total Operating Income by Segment	341	6	(23)	324	423	12	435	1,414	31	(59)	1,386	1,584	126	1,710
Reconciling Items:														
Stock-based compensation	87	(87)	-	-	162	(162)	-	352	(352)	-	-	610	(610)	-
Amortization of intangible assets	111	(111)	-	-	112	(112)	-	443	(443)	-	-	453	(453)	-
Restructuring, transition and other costs	36	(36)	-	-	132	(132)	-	241	(241)	-	-	410	(410)	-
Acquisition-related costs	-	-	-	-	9	(9)	-	3	(3)	-	-	60	(60)	-
Litigation settlement	-	-	-	-	2	(2)	-	(5)	5	-	-	2	(2)	-
Total Consolidated Operating Income	\$ 107	\$ 240	\$ (23)	\$ 324	\$ 6	\$ 429	\$ 435	\$ 380	\$ 1,065	\$ (59)	\$ 1,386	\$ 49	\$ 1,661	\$ 1,710
Operating Margin by Segment														
Enterprise Security	7%			4%	16%		18%	12%			10%	19%		20%
Consumer Cyber Safety	49%			49%	53%		53%	48%			48%	49%		50%

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⁽²⁾ We adopted the new revenue recognition accounting standard (ASC 606) on a modified retrospective basis during Q1 FY19. The results for Q4 FY19 and FY19 are presented under the new revenue recognition accounting standard, while prior period amounts are not adjusted and continue to be reported under the prior revenue recognition accounting standard (ASC 605).

Trended Reconciliation of GAAP to Non-GAAP Results of Operations ^{(1) (2)}
(Dollars and shares in millions, except per share data, unaudited)

	Q4FY19	Q3FY19	Q2FY19	Q1FY19	Q4FY18	Q3FY18	Q2FY18	Q1FY18	FY19	FY18
GAAP										
Net revenues	\$ 1,189	\$ 1,211	\$ 1,175	\$ 1,156	\$ 1,210	\$ 1,209	\$ 1,240	\$ 1,175	\$ 4,731	\$ 4,834
Cost of revenues	279	266	256	249	264	249	262	257	1,050	1,032
Gross profit	910	945	919	907	946	960	978	918	3,681	3,802
Operating expenses										
Sales and marketing	378	364	365	386	354	372	434	433	1,493	1,593
Research and development	236	209	231	237	257	225	241	233	913	956
General and administrative	102	98	114	133	143	122	160	149	447	574
Amortization of intangible assets	51	52	51	53	54	52	55	59	207	220
Restructuring, transition and other costs	36	53	56	96	132	93	97	88	241	410
Total operating expenses	803	776	817	905	940	864	987	962	3,301	3,753
Operating income (loss)	107	169	102	2	6	96	(9)	(44)	380	49
Non-operating income (expense), net										
Interest expense	(51)	(53)	(52)	(52)	(57)	(58)	(57)	(84)	(208)	(256)
Gain (loss) on divestiture	-	-	-	-	(5)	658	-	-	-	653
Other income (expense), net	(4)	(19)	(22)	(19)	(9)	9	(3)	(6)	(64)	(9)
Income (loss) from continuing operations before income taxes	52	97	28	(69)	(65)	705	(69)	(134)	108	437
Income tax expense (benefit)	22	38	36	(4)	(7)	(606)	(53)	(24)	92	(690)
Income (loss) from continuing operations	30	59	(8)	(65)	(58)	1,311	(16)	(110)	16	1,127
Income (loss) from discontinued operations, net of income taxes	4	6	-	5	(1)	31	4	(23)	15	11
Net income (loss)	\$ 34	\$ 65	\$ (8)	\$ (60)	\$ (59)	\$ 1,342	\$ (12)	\$ (133)	\$ 31	\$ 1,138
Reconciliation of Non-GAAP Adjustments										
Net revenues										
Contract liabilities fair value adjustment	\$ 6	\$ 7	\$ 9	\$ 9	\$ 12	\$ 25	\$ 36	\$ 53	\$ 31	\$ 126
Cost of revenue										
Stock-based compensation	4	4	4	5	6	7	9	6	17	28
Amortization of intangible assets	60	59	59	58	58	59	61	55	236	233
Total gross profit adjustment	70	70	72	72	76	91	106	114	284	387
Operating expenses										
Stock-based compensation	83	51	93	108	156	118	167	141	335	582
Amortization of intangible assets	51	52	51	53	54	52	55	59	207	220
Restructuring, transition and other costs	36	53	56	96	132	93	97	88	241	410
Acquisition-related costs	-	-	1	2	9	13	19	19	3	60
Litigation settlement (gain) loss	-	-	-	(5)	2	-	-	-	(5)	2
Total operating expense adjustment	170	156	201	254	353	276	338	307	781	1,274
Net income (loss) adjustment from continuing operations										
Gross profit adjustment	70	70	72	72	76	91	106	114	284	387
Operating expense adjustment	170	156	201	254	353	276	338	307	781	1,274
Non-cash interest expense	7	7	6	6	9	9	5	27	26	50
(Gain) loss on divestiture and gain on sale of assets	-	-	-	-	2	(658)	-	-	-	(656)
Loss from equity interest	17	24	34	26	26	-	-	-	101	26
Income tax reform	-	-	-	-	151	(810)	-	-	-	(659)
Other income tax effects and adjustments	(38)	(31)	(28)	(61)	(261)	109	(165)	(117)	(158)	(434)
Total income (loss) adjustment from continuing operations	226	226	285	297	356	(983)	284	331	1,034	(12)
Total income (loss) adjustment from discontinued operations	(4)	(6)	-	(5)	1	(31)	(4)	23	(15)	(11)
Total net income (loss) adjustment	\$ 222	\$ 220	\$ 285	\$ 292	\$ 357	\$ (1,014)	\$ 280	\$ 354	\$ 1,019	\$ (23)
Non-GAAP										
Net revenues	\$ 1,195	\$ 1,218	\$ 1,184	\$ 1,165	\$ 1,222	\$ 1,234	\$ 1,276	\$ 1,228	\$ 4,762	\$ 4,960
Cost of revenues	215	203	193	186	200	183	192	196	797	771
Gross profit	980	1,015	991	979	1,022	1,051	1,084	1,032	3,965	4,189
Operating expenses										
Sales and marketing	349	341	334	355	310	340	379	382	1,379	1,411
Research and development	199	190	192	198	198	175	188	191	779	752
General and administrative	85	89	90	98	79	73	82	82	362	316
Total operating expenses	633	620	616	651	587	588	649	655	2,520	2,479
Operating income	347	395	375	328	435	463	435	377	1,445	1,710
Non-operating expense, net										
Interest expense	(44)	(46)	(46)	(46)	(48)	(49)	(52)	(57)	(182)	(206)
Other income (expense), net	13	5	12	7	14	9	(3)	(6)	37	14
Income before income taxes	316	354	341	289	401	423	380	314	1,300	1,518
Provision for income taxes	60	69	64	57	103	95	112	93	250	403
Net income	\$ 256	\$ 285	\$ 277	\$ 232	\$ 298	\$ 328	\$ 268	\$ 221	\$ 1,050	\$ 1,115
Shares										
Diluted GAAP weighted-average shares outstanding	662	655	630	624	621	667	615	609	661	668
Incremental dilution	-	-	27	47	54	-	51	55	-	-
Diluted non-GAAP weighted-average shares outstanding	662	655	657	671	675	667	666	664	661	668
Reconciliation of Net Income (Loss) per Share										
GAAP net income (loss) per share	\$ 0.05	\$ 0.10	\$ (0.01)	\$ (0.10)	\$ (0.10)	\$ 2.01	\$ (0.02)	\$ (0.22)	\$ 0.05	\$ 1.70
Non-GAAP adjustments per share	\$ 0.34	\$ 0.34	\$ 0.43	\$ 0.45	\$ 0.54	\$ (1.52)	\$ 0.42	\$ 0.55	\$ 1.54	\$ (0.03)
Non-GAAP net income per share	\$ 0.39	\$ 0.44	\$ 0.42	\$ 0.35	\$ 0.44	\$ 0.49	\$ 0.40	\$ 0.33	\$ 1.59	\$ 1.67

⁽¹⁾ This presentation includes non-GAAP measures. Non-GAAP financial measures are supplemental and should not be considered a substitute for financial information presented in accordance with GAAP. For a detailed explanation of these non-GAAP measures, please see Explanation of Non-GAAP Measures.

⁽²⁾ We adopted the new revenue recognition accounting standard (ASC 606) on a modified retrospective basis during Q1 FY19. The results for all periods in FY19 are presented under the new revenue recognition accounting standard, while prior period amounts are not adjusted, and continue to be reported under the prior revenue recognition accounting standard (ASC 605).

Reconciliation of GAAP to Non-GAAP Results of Operations As If Reported Under ASC 605^{(1) (2)}
(Dollars and shares in millions, except per share data, unaudited)

	Q4FY19			Q4FY18			FY19			FY18		
	As Reported Under ASC 606	Effect of Adoption of ASC 606 (Increase) Decrease	As If Reported Under ASC 605	As Reported Under ASC 605	As Reported Under ASC 606	Effect of Adoption of ASC 606 (Increase) Decrease	As If Reported Under ASC 605	As Reported Under ASC 606	Effect of Adoption of ASC 606 (Increase) Decrease	As If Reported Under ASC 605	As Reported Under ASC 605	
Net revenues	\$ 1,189	\$ (21)	\$ 1,168	\$ 1,210	\$ 4,731	\$ (47)	\$ 4,684	\$ 4,834	\$ (103)	\$ 4,731	\$ 4,937	
Cost of revenues	279	-	279	264	1,050	-	1,050	1,032	-	1,050	1,032	
Gross profit	910	(21)	889	946	3,681	(47)	3,634	3,802	(47)	3,634	3,802	
Total operating expenses	803	2	805	840	3,301	12	3,313	3,753	12	3,313	3,753	
Operating income	107	(23)	84	8	380	(59)	321	49	(59)	321	49	
Total non-operating income (loss), net	(55)	-	(55)	(71)	(272)	-	(272)	388	-	(272)	388	
Income from continuing operations before income taxes	52	(23)	29	(65)	108	(59)	49	437	(59)	49	437	
Income tax expense (benefit)	22	(7)	15	(7)	92	(9)	83	(690)	(9)	83	(690)	
Income from continuing operations	30	(16)	14	(58)	16	(50)	(34)	1,127	(50)	(34)	1,127	
Income from discontinued operations, net of income taxes	4	-	4	(1)	15	-	15	11	-	15	11	
Net income	\$ 34	\$ (16)	\$ 18	\$ (59)	\$ 31	\$ (50)	\$ (19)	\$ 1,138	\$ (50)	\$ (19)	\$ 1,138	
Reconciliation of Non-GAAP Adjustments												
Net revenues												
Contract liabilities fair value adjustment	\$ 6	\$ -	\$ 6	\$ 12	\$ 31	\$ -	\$ 31	\$ 126	\$ -	\$ 31	\$ 126	
Cost of revenue												
Stock-based compensation	4	-	4	6	17	-	17	28	-	17	28	
Amortization of intangible assets	60	-	60	58	236	-	236	233	-	236	233	
Total gross profit adjustment	70	-	70	76	284	-	284	387	-	284	387	
Operating expenses												
Stock-based compensation	83	-	83	156	335	-	335	582	-	335	582	
Amortization of intangible assets	51	-	51	54	207	-	207	220	-	207	220	
Restructuring, transition and other costs	36	-	36	132	241	-	241	410	-	241	410	
Acquisition-related costs	-	-	-	9	3	-	3	60	-	3	60	
Litigation settlement (gain) loss	-	-	-	2	(5)	-	(5)	2	-	(5)	2	
Total operating expense adjustment	170	-	170	353	781	-	781	1,274	-	781	1,274	
Net income adjustment from continuing operations												
Gross profit adjustment	70	-	70	76	284	-	284	387	-	284	387	
Operating expense adjustment	170	-	170	353	781	-	781	1,274	-	781	1,274	
Non-cash interest expense	7	-	7	9	26	-	26	50	-	26	50	
Gain on divestiture and gain on sale of assets	-	-	-	2	-	-	-	(656)	-	-	(656)	
Loss from equity interest	17	-	17	26	101	-	101	26	-	101	26	
Income tax reform	-	-	-	151	-	-	-	(659)	-	-	(659)	
Other income tax effects and adjustments	(38)	(7)	(45)	(261)	(158)	(5)	(163)	(434)	(5)	(163)	(434)	
Total income (loss) adjustment from continuing operations	226	(7)	219	356	1,034	(5)	1,029	(12)	(5)	1,029	(12)	
Total income adjustment from discontinued operations	(4)	-	(4)	1	(15)	-	(15)	(11)	-	(15)	(11)	
Total net income adjustment	\$ 222	\$ (7)	\$ 215	\$ 357	\$ 1,019	\$ (5)	\$ 1,014	\$ (23)	\$ (5)	\$ 1,014	\$ (23)	
Non-GAAP												
Net revenues	\$ 1,195	\$ (21)	\$ 1,174	\$ 1,222	\$ 4,762	\$ (47)	\$ 4,715	\$ 4,960	\$ (103)	\$ 4,715	\$ 4,960	
Cost of revenues	215	-	215	200	797	-	797	771	-	797	771	
Gross profit	980	(21)	959	1,022	3,965	(47)	3,918	4,189	(47)	3,918	4,189	
Total operating expenses	633	2	635	587	2,520	12	2,532	2,479	12	2,532	2,479	
Operating income	347	(23)	324	435	1,445	(59)	1,386	1,710	(59)	1,386	1,710	
Total non-operating expense, net	(31)	-	(31)	(34)	(145)	-	(145)	(192)	-	(145)	(192)	
Income before income taxes	316	(23)	293	401	1,300	(59)	1,241	1,518	(59)	1,241	1,518	
Provision for income taxes	60	-	60	103	250	(4)	246	403	(4)	246	403	
Net income	\$ 256	\$ (23)	\$ 233	\$ 298	\$ 1,050	\$ (55)	\$ 995	\$ 1,115	\$ (55)	\$ 995	\$ 1,115	
Shares												
Diluted GAAP weighted-average shares outstanding	662	-	662	621	661	(29)	632	668	(29)	632	668	
Incremental dilution	-	-	-	54	-	29	29	-	29	-	-	
Diluted non-GAAP weighted-average shares outstanding	662	-	662	675	661	-	661	668	-	661	668	
Reconciliation of Net Income (Loss) per Share⁽³⁾												
GAAP net income (loss) per share	\$ 0.05	\$ (0.02)	\$ 0.03	\$ (0.10)	\$ 0.05	\$ (0.08)	\$ (0.03)	\$ 1.70	\$ (0.08)	\$ (0.03)	\$ 1.70	
Non-GAAP adjustments per share	\$ 0.34	\$ (0.01)	\$ 0.32	\$ 0.54	\$ 1.54	\$ (0.01)	\$ 1.54	\$ (0.03)	\$ (0.01)	\$ 1.54	\$ (0.03)	
Non-GAAP net income per share	\$ 0.39	\$ (0.03)	\$ 0.35	\$ 0.44	\$ 1.59	\$ (0.08)	\$ 1.51	\$ 1.67	\$ (0.08)	\$ 1.51	\$ 1.67	

⁽¹⁾ This presentation includes non-GAAP measures. Non-GAAP financial measures are supplemental and should not be considered a substitute for financial information presented in accordance with GAAP. For a detailed explanation of these non-GAAP measures, please see Explanation of Non-GAAP Measures.

⁽²⁾ We adopted the new revenue recognition accounting standard (ASC 606) on a modified retrospective basis during Q1 FY19. The results for Q4 FY19 and FY19 are presented under the new revenue recognition accounting standard, while prior period amounts are not adjusted and continue to be reported under the prior revenue recognition accounting standard (ASC 605).

⁽³⁾ Non-GAAP net income (loss) per share amounts may not add due to rounding.



Reconciliation of GAAP Revenues to Non-GAAP Reported Billings ^{(1) (2) (3)}
(Dollars in millions, unaudited)

	Q4FY19	Q3FY19	Q2FY19	Q1FY19	Q4FY18	Q3FY18	Q2FY18	Q1FY18
Total Company Reported Billings (Non-GAAP)								
Total revenues	\$ 1,189	\$ 1,211	\$ 1,175	\$ 1,156	\$ 1,210	\$ 1,209	\$ 1,240	\$ 1,175
Add: Contract liabilities (end of period)	3,056	2,915	2,746	2,767	3,103	2,730	2,514	2,794
Less: Contract liabilities (beginning of period)	(2,915)	(2,746)	(2,767)	(3,103)	(2,730)	(2,514)	(2,794)	(2,787)
Contract liabilities adjustment due to adoption of the new revenue recognition standard	-	-	-	169	-	-	-	-
Other contract liabilities adjustments ⁽⁴⁾	2	4	6	7	15	3	296	17
Reported billings (Non-GAAP)	\$ 1,332	\$ 1,384	\$ 1,160	\$ 996	\$ 1,598	\$ 1,428	\$ 1,256	\$ 1,199
Enterprise Security Reported Billings (Non-GAAP)								
Total revenues	\$ 584	\$ 609	\$ 574	\$ 556	\$ 597	\$ 625	\$ 686	\$ 646
Add: Contract liabilities (end of period)	2,002	1,876	1,717	1,714	2,010	1,685	1,484	1,784
Less: Contract liabilities (beginning of period)	(1,876)	(1,717)	(1,714)	(2,010)	(1,685)	(1,484)	(1,784)	(1,791)
Contract liabilities adjustment due to adoption of the new revenue recognition standard	-	-	-	186	-	-	-	-
Other contract liabilities adjustments ⁽⁴⁾	2	4	6	7	15	3	296	17
Reported billings (Non-GAAP)	\$ 712	\$ 772	\$ 583	\$ 453	\$ 937	\$ 829	\$ 682	\$ 656
Consumer Cyber Safety Reported Billings (Non-GAAP)								
Total revenues	\$ 605	\$ 602	\$ 601	\$ 600	\$ 613	\$ 584	\$ 554	\$ 529
Add: Contract liabilities (end of period)	1,054	1,039	1,029	1,053	1,093	1,045	1,030	1,010
Less: Contract liabilities (beginning of period)	(1,039)	(1,029)	(1,053)	(1,093)	(1,045)	(1,030)	(1,010)	(996)
Contract liabilities adjustment due to adoption of the new revenue recognition standard	-	-	-	(17)	-	-	-	-
Reported billings (Non-GAAP)	\$ 620	\$ 612	\$ 577	\$ 543	\$ 661	\$ 599	\$ 574	\$ 543

Enterprise Security Reported Billings, Excluding WSS & PKI Reported Billings (Non-GAAP)

WSS & PKI Reported Billings (Non-GAAP) ⁽⁵⁾				
Total revenues				
Add: Contract liabilities (end of period) ⁽⁶⁾				\$ 35
Less: Contract liabilities (beginning of period)				285
Reported billings (Non-GAAP)				\$ 29
				\$ 100
				291
				(308)
				\$ 83
				\$ 656
				(29)
				(83)
				\$ 564

⁽¹⁾ This presentation includes non-GAAP measures. Non-GAAP financial measures are supplemental and should not be considered a substitute for financial information presented in accordance with GAAP. For a detailed explanation of these non-GAAP measures, please see Explanation of Non-GAAP Measures.

⁽²⁾ We adopted the new revenue recognition accounting standard (ASC 606) on a modified retrospective basis during Q1 FY19. The results for all periods in FY19 are presented under the new revenue recognition accounting standard, while prior period amounts are not adjusted and continue to be reported under the prior revenue recognition accounting standard (ASC 605).

⁽³⁾ Reported billings was previously referred to as implied billings. The calculation did not change.

⁽⁴⁾ Other contract liabilities adjustments include contract liabilities acquired during the period and the change in contract liabilities related to Veritas discontinued operations. In addition, for Q3 FY18, the adjustment includes the in-quarter change in WSS & PKI contract liabilities prior to the divestiture that is not captured in the GAAP Enterprise Security contract liabilities change due to its classification as liabilities held for sale. For Q2 FY18, the adjustment includes the ending Q2 FY18 WSS & PKI Contract liabilities because this balance was not captured in the GAAP Enterprise Security contract liabilities change due to its classification as liabilities held for sale. WSS & PKI contract liabilities were part of GAAP Enterprise Security contract liabilities at the beginning of Q2 FY18 and for all prior periods. See additional information in Explanation of Non-GAAP Measures.

⁽⁵⁾ On October 31, 2017 we sold our WSS and PKI solutions. We are presenting supplemental historical revenues and reported billings for WSS and PKI solutions to provide readers with a better understanding of their impact on our historical results. WSS and PKI was historically reported in our Enterprise Security operating segment.

⁽⁶⁾ The Q3 FY18 end of period WSS and PKI contract liabilities is as of October 31, 2017, the date we sold our WSS and PKI solutions.



Trended Reconciliation of Selected Consumer Cyber Safety Metrics ^{(1) (2)}

(In millions except ARPU, unaudited)

	Q4FY19	Q3FY19	Q2FY19	Q1FY19	Q4FY18	Q3FY18	Q2FY18	Q1FY18	FY19	FY18
Consumer Cyber Safety Direct ARPU ⁽³⁾⁽⁴⁾										
Consumer Cyber Safety direct customer revenues	\$ 541	\$ 540	\$ 543	\$ 544	\$ 545	\$ 526	\$ 494	\$ 472	\$2,168	\$2,037
Contract liabilities fair value adjustment	-	-	-	-	1	10	20	29	-	60
Consumer Cyber Safety direct customer adjusted revenues (Non-GAAP)	\$ 541	\$ 540	\$ 543	\$ 544	\$ 546	\$ 536	\$ 514	\$ 501	\$2,168	\$2,097
Consumer Cyber Safety average direct customer count	20.4	20.6	20.8	20.9	21.1	21.2	21.2	21.3	20.7	21.2
Consumer Cyber Safety direct customer count (at quarter end)	20.3	20.5	20.7	20.8	21.0	21.2	21.2	21.2	20.3	21.0
Consumer Cyber Safety direct ARPU	\$ 8.83	\$ 8.75	\$ 8.72	\$ 8.66	\$ 8.62	\$ 8.42	\$ 8.06	\$ 7.85	\$ 8.74	\$ 8.23
Consumer Cyber Safety Partner Revenues										
Consumer Cyber Safety partner revenues	\$ 64	\$ 62	\$ 58	\$ 56	\$ 68	\$ 58	\$ 60	\$ 57	\$ 240	\$ 243
Contract liabilities fair value adjustment	-	-	-	-	-	1	1	1	-	3
Consumer Cyber Safety partner adjusted revenues (Non-GAAP)	\$ 64	\$ 62	\$ 58	\$ 56	\$ 68	\$ 59	\$ 61	\$ 58	\$ 240	\$ 246
Consumer Cyber Safety Retention Rate										
Consumer Cyber Safety annual retention rate									85%	83%
Consumer Cyber Safety Adoption Rate										
Consumer Cyber Safety annual adoption rate									17%	11%

Consumer Cyber Safety Direct Average Revenues Per User (ARPU): Total non-GAAP revenue from direct customers divided by the average Consumer Cyber Safety Direct Customer Count for the period, expressed as a monthly figure.

Consumer Cyber Safety Direct Customer Count: Consumers who have a direct billing relationship with Symantec, including online acquisition and retention, affiliates, co-marketing, and original contract manufacturer channels.

Consumer Cyber Safety Partner Revenues: Non-GAAP revenue generated through billing relationships with partners. Examples are retailers, service providers, and corporations who often purchase on behalf of their end customers or employees.

Consumer Cyber Safety Retention Rate: Current number of direct customers who have more than 1 year tenure, divided by total number of direct customers from 1 year ago.

Consumer Cyber Safety Adoption Rate: Percentage of direct customers using more than one product.

⁽¹⁾ This presentation includes non-GAAP measures. Non-GAAP financial measures are supplemental and should not be considered a substitute for financial information presented in accordance with GAAP. For a detailed explanation of these non-GAAP measures, please see Explanation of Non-GAAP Measures.

⁽²⁾ We adopted the new revenue recognition accounting standard (ASC 606) on a modified retrospective basis during Q1 FY19. The results for all periods in FY19 are presented under the new revenue recognition accounting standard, while prior period amounts are not adjusted and continue to be reported under the prior revenue recognition accounting standard (ASC 605).

⁽³⁾ We have adjusted previously reported metrics to reflect updates to our historical data, none of which were significant in any period presented.

⁽⁴⁾ Numbers may not add due to rounding.



Reconciliation of GAAP Contract Liabilities to Non-GAAP Contract Liabilities ^{(1) (2) (3)}
(Dollars in millions, unaudited)

	Q4FY19	Q3FY19	Q2FY19	Q1FY19	Q4FY18	Q3FY18	Q2FY18 ⁽⁴⁾	Q1FY18
Total Company Contract Liabilities								
GAAP Total	\$ 3,056	\$ 2,915	\$ 2,746	\$ 2,767	\$ 3,103	\$ 2,730	\$ 2,514	\$ 2,794
Purchase Accounting	14	20	27	35	45	56	80	116
Veritas	(5)	(7)	(11)	(17)	(24)	(39)	(48)	(54)
WSS & PKI	-	-	-	-	-	-	-	(308)
Non-GAAP Total	\$ 3,065	\$ 2,928	\$ 2,762	\$ 2,785	\$ 3,124	\$ 2,747	\$ 2,546	\$ 2,548
Non-GAAP ST	2,325	2,221	2,124	2,148	2,380	2,158	2,058	2,122
Non-GAAP LT	740	707	638	637	744	589	488	426
Enterprise Security Contract Liabilities								
GAAP Total	\$ 2,002	\$ 1,876	\$ 1,717	\$ 1,714	\$ 2,010	\$ 1,685	\$ 1,484	\$ 1,784
Purchase Accounting	14	20	27	35	45	55	68	84
Veritas	(5)	(7)	(11)	(17)	(24)	(39)	(48)	(54)
WSS & PKI	-	-	-	-	-	-	-	(308)
Non-GAAP Total	\$ 2,011	\$ 1,889	\$ 1,733	\$ 1,732	\$ 2,031	\$ 1,701	\$ 1,504	\$ 1,506
Non-GAAP ST	1,298	1,208	1,122	1,122	1,329	1,153	1,059	1,127
Non-GAAP LT	713	681	611	610	702	548	445	379
Consumer Cyber Safety Contract Liabilities								
GAAP Total	\$ 1,054	\$ 1,039	\$ 1,029	\$ 1,053	\$ 1,093	\$ 1,045	\$ 1,030	\$ 1,010
Purchase Accounting	-	-	-	-	-	1	12	32
Non-GAAP Total	\$ 1,054	\$ 1,039	\$ 1,029	\$ 1,053	\$ 1,093	\$ 1,046	\$ 1,042	\$ 1,042
Non-GAAP ST	1,027	1,013	1,002	1,026	1,051	1,005	999	995
Non-GAAP LT	27	26	27	27	42	41	43	47

⁽¹⁾ This presentation includes non-GAAP measures. Non-GAAP financial measures are supplemental and should not be considered a substitute for financial information presented in accordance with GAAP. For a detailed explanation of these non-GAAP measures, please see Explanation of Non-GAAP Measures.

⁽²⁾ We adopted the new revenue recognition accounting standard (ASC 606) on a modified retrospective basis during Q1 FY19. The results for all periods in FY19 are presented under the new revenue recognition accounting standard, while prior period amounts are not adjusted and continue to be reported under the prior revenue recognition accounting standard (ASC 605). Our beginning Q1 FY19 contract liabilities balance decreased by \$169 million as a result of adopting the new revenue recognition accounting standard, consisting of a \$186 million decrease to Enterprise Security contract liabilities partially offset by a \$17 million increase to Consumer Cyber Safety contract liabilities. Our ending Q4 FY19 contract liabilities balance decreased by \$218 million as a result of adopting the new revenue recognition accounting standard, consisting of a \$234 million decrease to Enterprise Security contract liabilities partially offset by a \$16 million increase to Consumer Cyber Safety contract liabilities. The decrease of \$234 million in Enterprise Security contract liabilities as a result of adopting the new revenue recognition standard consists of \$143 million in short-term and \$91 million in long-term.

⁽³⁾ Non-GAAP adjusted contract liabilities excludes contract liabilities balances related to our Veritas discontinued operations and WSS & PKI solutions to reflect the impact of the divestitures. In addition, our non-GAAP contract liabilities excludes the impact of purchase accounting for comparative purposes.

⁽⁴⁾ The Q2 FY18 contract liabilities balance related to WSS & PKI products was included in assets held for sale and, therefore, not reflected in GAAP contract liabilities.

Trended Detail of Certain Non-GAAP Operating Expense Adjustments ⁽¹⁾
(Dollars and shares in millions, except per share data, unaudited)

	Q4FY19	Q3FY19	Q2FY19	Q1FY19	Q4FY18	Q3FY18	Q2FY18	Q1FY18	FY19	FY18
Detail of Certain Non-GAAP Operating Expense Adjustments										
Stock-based compensation										
Sales and marketing	\$ 29	\$ 23	\$ 31	\$ 31	\$ 42	\$ 30	\$ 50	\$ 43	\$ 114	\$ 165
Research and development	37	19	39	39	57	49	53	41	134	200
General and administrative	17	9	23	38	57	39	64	57	87	217
Total stock-based compensation operating expenses	\$ 83	\$ 51	\$ 93	\$ 108	\$ 156	\$ 118	\$ 167	\$ 141	\$ 335	\$ 582
Acquisition-related costs and litigation settlement										
Sales and marketing	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 2	\$ 5	\$ 8	\$ -	\$ 17
Research and development	-	-	-	-	2	1	-	1	-	4
General and administrative	-	-	1	(3)	7	10	14	10	(2)	41
Total acquisition-related costs and litigation settlement	\$ -	\$ -	\$ 1	\$ (3)	\$ 11	\$ 13	\$ 19	\$ 19	\$ (2)	\$ 62

⁽¹⁾ This presentation includes non-GAAP measures. Non-GAAP financial measures are supplemental and should not be considered a substitute for financial information presented in accordance with GAAP. For a detailed explanation of these non-GAAP measures, please see Explanation of Non-GAAP Measures.



Reconciliation of GAAP to Non-GAAP Revenues Guidance Detail ⁽¹⁾
(Dollars in millions, unaudited)

	Q1FY20		FY20	
	Low end of range	High end of range	Low end of range	High end of range
Revenue Adjusted Growth Guidance				
Total revenues (GAAP)	\$ 1,171	\$ 1,201	\$ 4,750	\$ 4,890
Contract liabilities fair value adjustment	4	4	10	10
Non-GAAP revenues	1,175	1,205	4,760	4,900
Exclude foreign exchange impact ⁽²⁾	16	16	24	24
Non-GAAP revenues excluding foreign exchange impact	\$ 1,191	\$ 1,221	\$ 4,784	\$ 4,924
Adjusted Growth Guidance - Enterprise Security				
Total revenues (GAAP)	\$ 551	\$ 571	\$ 2,290	\$ 2,390
Contract liabilities fair value adjustment	4	4	10	10
Non-GAAP revenues	555	575	2,300	2,400
Exclude foreign exchange impact ⁽²⁾	9	9	13	13
Non-GAAP revenues excluding foreign exchange impact	\$ 564	\$ 584	\$ 2,313	\$ 2,413
Adjusted Growth Guidance - Consumer Cyber Safety				
Total revenues (GAAP)	\$ 620	\$ 630	\$ 2,460	\$ 2,500
Contract liabilities fair value adjustment	-	-	-	-
Non-GAAP revenues	620	630	2,460	2,500
Exclude foreign exchange impact ⁽²⁾	7	7	11	11
Non-GAAP revenues excluding foreign exchange impact	\$ 627	\$ 637	\$ 2,471	\$ 2,511

⁽¹⁾ This presentation includes non-GAAP measures. Non-GAAP financial measures are supplemental and should not be considered a substitute for financial information presented in accordance with GAAP. For a detailed explanation of these non-GAAP measures, please see Explanation of Non-GAAP Measures.

⁽²⁾ Compared to Q1 FY19, we expect foreign currency to negatively impact total revenue in Q1 FY20 by approximately \$16 million, Enterprise Security revenue by \$9 million and Consumer Cyber Safety revenue by \$7 million. Compared to FY19, we expect foreign currency to negatively impact total revenue in FY20 by approximately \$24 million, Enterprise Security revenue by \$13 million and Consumer Cyber Safety revenue by \$11 million.



Non-GAAP Guidance Assumptions ⁽¹⁾

Our Q1FY20 outlook incorporates the following assumptions:

- o A basket of currencies including EUR/USD exchange rate of \$1.123/€
- o Non-GAAP non-operating expense, net, of \$40 million at midpoint
- o Non-GAAP effective tax rate of approximately 20.0% at midpoint
- o Non-GAAP fully diluted share count of 650 million ⁽²⁾

Our FY20 outlook incorporates the following assumptions:

- o Non-GAAP non-operating expense, net, of \$155 million at midpoint
- o Non-GAAP effective tax rate of approximately 20.0% at midpoint
- o Non-GAAP fully diluted share count range of 634 million to 644 million ⁽²⁾

⁽¹⁾ This presentation includes non-GAAP measures. Non-GAAP financial measures are supplemental and should not be considered a substitute for financial information presented in accordance with GAAP. For a detailed explanation of these non-GAAP measures, please see Explanation of Non-GAAP Measures.

⁽²⁾ Dilutive shares related to our convertible debt included in our share count are based on our average share price for the first 10 trading days of Q1 FY20. A schedule of the dilutive impact from our convertible debt is available on our Investor Relations website at <http://investor.symantec.com/About/Investors/financial-information/Other/default.aspx>. Our fully diluted share count includes anticipated share repurchases based on our average share price for the first 10 trading days of Q1 FY20.

SYMANTEC CORPORATION

Forward-Looking Statements

This supplemental information document contains statements which may be considered forward-looking within the meaning of the U.S. federal securities laws, including the information contained under the captions “Reconciliation of GAAP to Non-GAAP Revenues Guidance Detail” and “Non-GAAP Guidance Assumptions”, as well as other projected financial and business results, including demand for its products and services, Symantec’s enhanced capabilities, and Symantec’s continued cost and operating efficiencies. 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 supplemental information document. Such risk factors include those related to: retention of existing executive leadership team members; difficulties in improving sales execution and product development during leadership transitions; general business and economic conditions; our ability to integrate acquired businesses and realize the expected benefits of the acquisitions; matters arising out of the ongoing U.S. Securities and Exchange Commission investigation; fluctuations and volatility in Symantec’s stock price; the ability of Symantec to successfully execute strategic plans; the ability to maintain customer and partner relationships; the ability of Symantec to achieve its cost and operating efficiency goals; the anticipated growth of certain market segments; Symantec’s sales pipeline and business strategy; fluctuations in tax rates and foreign currency exchange rates; the timing and market acceptance of new product releases and upgrades; and the successful development of new products and the degree to which these products gain market acceptance. Actual results may differ materially from those contained in the forward-looking statements in this supplemental information document. Symantec assumes no obligation, and does not intend, to update these forward-looking statements as a result of future events or developments. Additional information concerning these and other risk factors is contained in the Risk Factors sections of Symantec’s most recent reports on Form 10-K and Form 10-Q.

SYMANTEC CORPORATION

Explanation of Non-GAAP Measures

Objective of non-GAAP measures: We believe our presentation of non-GAAP financial measures, when taken together with corresponding GAAP financial measures, provides meaningful supplemental information regarding the Company's operating performance for the reasons discussed below. Our management team uses these non-GAAP financial measures in assessing Symantec's performance, as well as in planning and forecasting future periods. Due to the importance of these measures in managing the business, we use non-GAAP measures in the evaluation of management's compensation. These non-GAAP financial measures are not computed according to GAAP and the methods we use to compute them may differ from the methods used by other companies. Non-GAAP financial measures are supplemental and should not be considered a substitute for financial information presented in accordance with GAAP and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP.

Contract liabilities adjustment: Our non-GAAP net revenues eliminate the impact of contract liabilities purchase accounting adjustments required by GAAP. GAAP requires an adjustment to the liability for acquired contract liabilities such that the liability approximates how much we, the acquirer, would have to pay a third party to assume the liability. We believe that eliminating the impact of this adjustment improves the comparability of revenues between periods. Also, although the adjustment amounts will never be recognized in our GAAP financial statements, we do not expect the acquisitions to affect the future renewal rates of revenues excluded by the adjustments. In addition, our management uses non-GAAP net revenues, adjusted for the impact of purchase accounting adjustments to assess our operating performance and overall revenue trends. Nevertheless, non-GAAP net revenues has limitations as an analytical tool and should not be considered in isolation or as a substitute for GAAP net revenues. We believe these adjustments are useful to investors as an additional means to reflect revenue trends of our business. However, other companies in our industry may not calculate these measures in the same manner which may limit their usefulness for comparative purposes.

Inventory fair value adjustment: Purchase accounting requires us to measure acquired inventory at fair value. The fair value of inventory reflects the acquired company's cost of manufacturing plus a portion of the expected profit margin. These non-GAAP adjustments to our cost of revenues exclude the expected profit margin component that is recorded under purchase accounting associated with our acquisitions. We believe the adjustments are useful to investors as an additional means to reflect cost of revenues and gross margin trends of our business.

Stock-based compensation: This consists of expenses for employee restricted stock units, performance-based awards, bonus share programs, stock options and our employee stock purchase plan, determined in accordance with GAAP. We evaluate our performance both with and without these measures because stock-based compensation is a non-cash expense and can vary significantly over time based on the timing, size, nature and design of the awards granted, and is influenced in part by certain factors that are generally beyond our control, such as the volatility of the market value of our common stock. In addition, for comparability purposes, we believe it is useful to provide a non-GAAP financial measure that excludes stock-based compensation to facilitate the comparison of our results to those of other companies in our industry.

Amortization of intangible assets: Amortization of intangible assets consists of amortization of acquisition-related intangible assets such as developed technology, customer relationships and trade names acquired in connection with business combinations. We record charges relating to the amortization of these intangibles within both cost of revenues and operating expenses in our GAAP financial statements. Under purchase accounting, we are required to allocate a portion of the purchase price to intangible assets acquired and amortize this amount over the estimated useful lives of the acquired intangible assets. However, the purchase price allocated to these assets is not necessarily reflective of the cost we would incur to internally develop the intangible asset. Further, amortization charges for our acquired intangible assets are inconsistent in size and are significantly impacted by the timing and valuation of our acquisitions. We eliminate these charges from our non-GAAP operating results to facilitate an evaluation of our current operating performance and provide better comparability to our past operating performance.

Restructuring, transition and other costs: Restructuring charges are costs associated with a formal restructuring plan and are primarily related to employee severance and benefit arrangements. Other charges include facilities and other exit and disposal costs, including asset write-offs. Transition costs are associated with formal discrete strategic information technology initiatives and primarily consist of consulting charges associated with our enterprise resource planning and supporting systems and costs to automate business processes. In addition, transition costs include expenses associated with our divestitures. We exclude restructuring, transition and other costs from our non-GAAP results as we believe that these costs are incremental to core activities that arise in the ordinary course of our business and do not reflect our current operating performance, and that excluding these charges facilitates a more meaningful evaluation of our current operating performance and comparisons to our past operating performance.

Acquisition-related costs: These represent the transaction and business integration costs related to significant acquisitions that are charged to operating expense in our GAAP financial statements. These costs include incremental expenses incurred to affect these business combinations such as advisory, legal, accounting, valuation, and other professional or consulting fees. We exclude these costs from our non-GAAP results as they have no direct correlation to the operation of our business, and because we believe that the non-GAAP financial measures excluding these costs provide meaningful supplemental information regarding the spending trends of our business. In addition, these costs vary, depending on the size and complexity of the acquisitions, and are not indicative of costs of future acquisitions.

Litigation settlement: We may periodically incur charges or benefits related to litigation settlements. We exclude these charges and benefits when associated with a significant settlement because we do not believe they are reflective of ongoing business and operating results.

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Explanation of Non-GAAP Measures

Non-cash interest expense and amortization of debt issuance costs: In accordance with GAAP, we separately account for the value of the conversion feature on our convertible notes as a debt discount that reflects our assumed non-convertible debt borrowing rates. We amortize the discount and debt issuance costs over the term of the related debt. We exclude the difference between the imputed interest expense, which includes the amortization of the conversion feature and of the issuance costs, and the coupon interest payments because we believe that excluding these costs provides meaningful supplemental information regarding the cash cost of our convertible debt and enhance investors' ability to view the Company's results from management's perspective.

Gain on divestitures: We periodically recognize gains on divestitures, including in fiscal 2018 related to our WSS and PKI solutions. We have excluded these gains for purposes of calculating our non-GAAP results. We believe making these adjustments facilitates a better evaluation of our current operating performance and comparisons to past operating results.

Gain (loss) from equity interest: We record gains or losses in equity method investments representing net income or loss attributable to our noncontrolling interest in companies over which we have limited control and visibility. We exclude such gains and losses in full because we lack control over the operations of the investee and the related gains and losses are not indicative of our ongoing core results.

Income tax effects and adjustments: Prior to the third quarter of fiscal 2018, we used a projected long-term non-GAAP tax rate that reflected the elimination of the effects of the non-GAAP adjustments to our operating results described above and significant discrete items, as well as certain unique GAAP reporting requirements under discontinued operations as a result of the sale of our information management business (Veritas) in order to provide better consistency across the interim financial reporting periods. Starting with the third quarter of fiscal 2018, as a result of U.S. tax reform, we use a non-GAAP tax rate that excludes (1) the discrete impacts of changes in tax legislation, (2) most other significant discrete items, (3) certain unique GAAP reporting requirements under discontinued operations and (4) the income tax effects of the non-GAAP adjustment to our operating results described above. We believe making these adjustments facilitates a better evaluation of our current operating performance and comparisons to past operating results. Our tax rate is subject to change for a variety of reasons, such as significant changes in the geographic earnings mix due to acquisition and divestiture activities or fundamental tax law changes in major jurisdictions where we operate.

Discontinued operations: In August 2015, we entered into a definitive agreement to sell the assets of Veritas to Carlyle. The transaction closed on January 29, 2016. The results of Veritas are presented as discontinued operations in our Consolidated Statements of Operations and thus have been excluded from non-GAAP net income and segment results for all reported periods.

Diluted GAAP and non-GAAP weighted-average shares outstanding: Diluted GAAP and non-GAAP weighted-average shares outstanding are the same, except in periods that there is a GAAP loss from continuing operations. In accordance with GAAP, we do not present dilution for GAAP in periods in which there is a loss from continuing operations. However, if there is non-GAAP net income, we present dilution for non-GAAP weighted-average shares outstanding in an amount equal to the dilution that would have been presented had there been GAAP income from continuing operations for the period.

Reported billings (previously referred to as implied billings): We define reported billings as total revenue plus the change in adjusted contract liabilities. The change in contract liabilities excludes contract liabilities acquired or divested during the period as well as the change in contract liabilities related to discontinued operations that does not amortize to revenue from continuing operations. We consider reported billings to be a useful metric for management and investors because it facilitates an analysis of changes in contract liabilities balances that are an indicator of the health and visibility of our business. There are several limitations related to the use of reported billings versus revenue calculated in accordance with GAAP. First, reported billings include amounts that have not yet been recognized as revenue. Second, our calculation of reported billings may be different from other companies in our industry, some of which may not use reported billings, may calculate reported billings differently, may have different reported billing frequencies, or may use other financial measures to evaluate their performance, all of which could reduce the usefulness of reported billings as a comparative measure. We compensate for these limitations by providing specific information regarding GAAP revenue and evaluating reported billings together with revenue calculated in accordance with GAAP.