June 12, 2016

Symantec to Acquire Blue Coat and Define the Future of Cybersecurity

- Symantec Enhances Global Leadership Position with Transformational Combination; Delivers Comprehensive Enterprise Cyber Defense Across Critical Threat Vectors and Helps Customers Securely Embrace the Cloud
- Greg Clark, Blue Coat CEO, to Lead Symantec Following Closing
- Silver Lake to Double Investment to $1 Billion
- Bain Capital, Majority Shareholder in Blue Coat, to Reinvest $750 Million in Combined Company and David Humphrey, a Managing Director of Bain Capital, to Join Symantec Board
- FY18 Non-GAAP EPS Expected to be $1.70-$1.80, Including $150 Million in Run-Rate Cost Synergies from Blue Coat Transaction Plus Previously Announced $400 Million in Net Cost Savings

MOUNTAIN VIEW, Calif. & SUNNYVALE, Calif.--(BUSINESS WIRE)-- Symantec (NASDAQ:SYMC) and Blue Coat, Inc. today announced that they have entered into a definitive agreement under which Symantec will acquire Blue Coat for approximately $4.65[1] billion in cash. The transaction has been approved by the Boards of Directors of both companies and is expected to close in the third calendar quarter of 2016. Greg Clark, Chief Executive Officer of Blue Coat, will be appointed Chief Executive Officer of Symantec and join the Symantec Board upon closing of the transaction.

Blue Coat is the #1 market share leader and share gainer in Web Security with a widely recognized portfolio of integrated technologies serving as a trusted platform to deliver Cloud Generation Security to more than 15,000 customers worldwide. For Blue Coat’s fiscal year ending April 30, 2016, GAAP revenue was $598 million and non-GAAP revenue was $755 million, with 17% year-over-year growth, supported by new products and new customers. For the same time period, the company had non-GAAP operating margins of 22% and cash flow from operations of $135 million. Also for this time period, GAAP operating margins were -42%.

Defining the Future of Cybersecurity

With the acquisition of Blue Coat, Symantec will enhance its leadership position to define the future of cybersecurity and set the pace for innovation industrywide. The combined company will:

- **Protect customers against more cyber threats, with best-in-breed protection, detection and remediation across endpoint, email, web, network and servers**. This transaction will combine Symantec’s leading threat telemetry with Blue Coat’s networks and cloud security offerings to provide differentiated security solutions across hundreds of millions of endpoints and servers, and billions of email and web transactions.
- **Help enterprises securely embrace the cloud**. Symantec will be able to deliver security for the cloud generation of users, data and apps, for the cloud, from the cloud and to the cloud. The company’s leading data loss prevention capabilities will be applied at the web proxy and to over 12,000 cloud applications.

- **Bring together a formidable scale of investment in cyber R&D and threat research**. These investments span over 3,000 engineers and researchers, as well as nine Threat Response Centers.

"With this transaction, we will have the scale, portfolio and resources necessary to usher in a new era of innovation designed to help protect large customers and individual consumers against insider threats and sophisticated cybercriminals. Together, we will be best positioned to address the ever-evolving threat landscape, the massive changes introduced by the shift to mobile and cloud, and the challenges created by regulatory and privacy concerns," said **Dan Schulman, Chairman of Symantec.** "Greg and the entire Blue Coat leadership team have done an exceptional job of strengthening, growing and scaling their business. In addition to a proven track record of delivering scale and profitable growth, Greg brings significant leadership experience, deep security expertise and a history of successfully integrating companies into a single portfolio; he is the right person to lead Symantec as we advance our position as the leader in cybersecurity.

"On behalf of the Board, I want to thank Ajei Gopal for his decisive and insightful leadership as our Interim President and COO; he has been central to creating and driving our business momentum during a time of transition and has been an integral part of the team engineering the Blue Coat acquisition. I also want to thank Thomas Seifert and Scott Taylor, and the rest of the Symantec management team, for their fortitude and hard work, which has helped enable us to announce this transformational acquisition," **Mr. Schulman added.**

Greg Clark, Chief Executive Officer of Blue Coat, said, "Today, Symantec keeps global enterprises, governments and individual consumers protected with solutions across threat protection, information protection and managed services. Likewise, Blue Coat is the trusted source for protecting billions of web transactions daily and is the clear leader in the growing cloud security market. Once combined, we will offer customers around the world – from large enterprises and governments to individual consumers – unrivaled threat protection and unmatched cloud security. With employees of Blue Coat and Symantec coming together, we will be well positioned to drive meaningful growth and push the boundaries of innovation. I am very excited about the opportunity to join Symantec as CEO and look forward to working with the strongest, deepest team in security to realize the many strategic and financial benefits this transaction will create."

Thomas Seifert, Chief Financial Officer of Symantec, said, "With the $150 million in expected annual net cost synergies, in addition to our previously announced $400 million in planned net cost savings, this transaction will allow Symantec to improve our profitability while continuing to invest in innovation and drive growth. The acquisition is expected to be significantly accretive to our non-GAAP earnings creating meaningful value for our shareholders. We are reiterating our first quarter guidance and maintaining our commitment to our previously announced $5.5 billion capital return program, of which the remaining $1.3 billion will be returned by the end of the current fiscal year. We will also continue our practice of paying a quarterly dividend to our shareholders."

Delivers Attractive Financial Benefits to Symantec Shareholders

On a pro-forma, non-GAAP basis, the combined company would have had $4.4 billion in revenues in fiscal year 2016, of which 62% would come from enterprise security. By the end of fiscal 2018, Symantec expects to realize $550 million in run-rate cost savings, of which $400 million will come from Symantec's previously announced cost efficiency program.

Creating a Strong Organization and Leadership Team, Focused on Integration Planning

The Board of Directors will continue to be led by Symantec's current Chairman, Mr. Schulman. Mr. Clark will serve as CEO and Mr. Seifert will continue as Chief Financial Officer.

Members of Blue Coat's management team have not only agreed to join Symantec but also made the decision to rollover a substantial portion of their cash and options into the combined entity.

Mr. Schulman added, "The Board would like to thank Symantec's management team for their continued dedication and commitment to our company and welcome Blue Coat's executive team to Symantec."

The integration of the two companies will be led by executives from both Symantec and Blue Coat, with integration planning to begin immediately. The companies expect an efficient and successful integration given their complementary product offerings and distinct customer footprints, as well as Blue Coat's management team's track record of integration. The combined company will be headquartered in Mountain View, California.

Investing in the Future of Symantec

In connection with the transaction, Silver Lake has agreed to make an additional investment of $500 million in 2.0% convertible notes due 2021 of Symantec, doubling its investment in Symantec to $1 billion. In addition, Bain Capital has agreed to make an investment of $750 million in the convertible notes. The convertible notes are noncallable and unsecured, and have an initial conversion price of approximately $20.41 per share.

In connection with this investment, David Humphrey, a Managing Director of Bain Capital Private Equity, will be appointed to Symantec's Board of Directors, effective at the close of the transaction.

Financing and Path to Completion

Symantec intends to finance the transaction with cash on the balance sheet and $2.8 billion of new debt. The company is focused on paying down a significant portion of this debt within the next several years with cash on the balance sheet and through cash generation.

The transaction, which is expected to be completed in the third calendar quarter of 2016, is subject to the satisfaction of customary closing conditions, including applicable regulatory approvals.

Advisors

J.P. Morgan is acting as lead financial advisor to Symantec. Barclays, BofA Merrill Lynch, Citi, J.P. Morgan and Wells Fargo Securities (in alphabetical order) are acting as financial advisors and are providing debt financing to Symantec. Fenwick & West LLP is acting as legal advisor to Symantec in connection with the acquisition and the convertible note investment, and Fenwick & West LLP and Simpson Thacher & Bartlett LLP are acting as legal advisors to Symantec in connection with the debt financing. Goldman, Sachs & Co., is acting as lead financial advisor to Blue Coat. Morgan Stanley & Co. LLC and Credit Suisse Securities (USA) LLC are also acting as financial advisors to Blue Coat. Ropes & Gray and Wilson Sonsini Goodrich & Rosati are acting as legal advisors to Blue Coat.

About Greg Clark

Greg Clark has served as the chief executive officer of Blue Coat and as a member of the company's board of directors since September 2011. Prior to joining, Mr. Clark was president and chief executive officer of Mincom, a global software and services provider to asset-intensive industries, from 2008 to August 2011. Mincom was acquired by the ABB Group in July 2011. Before joining Mincom, Mr. Clark was a founder and served as president and chief executive officer of E2open, a provider of cloud-based supply chain software, from 2001 until 2008. Earlier in his career, Mr. Clark founded security software firm Dascom, which was acquired by IBM in 1999. He served as a distinguished engineer and vice president of IBM's Tivoli Systems, a division providing security and management products, from 1999 until 2001. He holds a B.S. from Griffith University.

Conference Call and Webcast

Symantec and Blue Coat will host a conference call and webcast at 8 am ET/5 am PT on June 13, 2016 to discuss the transaction. The webcast and accompanying slides can be accessed on the Internet athttp://www.symantec.com/invest. A replay and our prepared remarks will be available on the investor relations home page shortly after the call is completed.

Conference Call Dial-in: Domestic: (877) 475-6198 International: (970) 297-2372
Conference ID: 27504829

About Symantec

Symantec Corporation (NASDAQ: SYMC) is the global leader in cybersecurity. Operating one of the world's largest cyber intelligence networks, we see more threats, and protect more customers from the next generation of attacks. We help companies, governments and individuals secure their most important data wherever it lives.

About Blue Coat

Blue Coat, Inc. is a leading provider of advanced web security solutions for global enterprises and governments, protecting 15,000 organizations including over 70 percent of the Fortune Global 500. Through the Blue Coat Security Platform, Blue Coat unites network, security and cloud, protecting enterprises and their users from cyber threats – whether they are on the network, on the web, in the cloud or mobile.

About Silver Lake

Silver Lake is the global leader in technology investing, with over $24 billion in combined assets under management and committed capital. The firm's portfolio of investments collectively generates more than $100 billion of revenue annually and employs more than 210,000 people globally. Silver Lake has a team of approximately 100 investment and value creation professionals located in London, New York, Menlo Park, San Mateo, Hong Kong and Tokyo. The firm's current portfolio includes leading technology and technology-enabled businesses such as Alibaba Group, Avaya, Broadcom Limited, Cast & Crew, Ctrip, Dell, Global Blue, GoDaddy, Intelsat, Motorola Solutions, Quorum Business Solutions, Red Ventures, Sabre, Smart Modular, Solar Winds, Vantage Data Centers, and WME/IMG. For more information about Silver Lake and its entire portfolio, please visit www.silverlake.com.

About Bain Capital

Bain Capital Private Equity has partnered closely with management teams to provide the strategic resources that build great companies and help them thrive since our founding in 1984. Our team of more than 400 investment professionals creates value for our portfolio companies through our global platform and depth of expertise in key vertical industries including technology, media and telecommunications, retail, financial and business services, healthcare and industrials. The firm's successful track record of investments in information technology businesses include Applied Systems, BMC Software, FIS, Genpact, MYOB, Sungard Availability Services, TeamSystem, UGS PLM, and Viewpoint Construction Software. In addition to private equity, Bain Capital invests across asset classes including credit, public equity and venture capital, and leverages the firm's shared platform to capture opportunities in strategic areas of focus. For more information visit www.baincapitalprivateequity.com.

Forward-Looking Statements

This press release contains statements which may be considered forward-looking within the meaning of the U.S. federal securities laws, including statements regarding the acquisition of Blue Coat, Inc. and the time frame in which this will occur, the expected benefits to Symantec, its customers, stockholders and investors from completing the acquisition, including expected growth, earnings accretion and cost savings, statements regarding the investment by Bain Capital and Silver Lake, statements regarding Symantec's planned capital return program, and statements regarding leadership changes in connection with the acquisition and investments and the potential benefits to be derived therefrom. These statements are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to differ materially from results expressed or implied in this press release. Such risk factors include those related to: required regulatory approvals and the satisfaction of other closing conditions, the potential impact on the businesses of Blue Coat and Symantec due to uncertainties regarding the acquisition; the retention of employees of Blue Coat and the ability of Symantec to successfully integrate Blue Coat and to achieve expected benefits; general economic conditions; fluctuations and volatility in Symantec's stock price; the ability of Symantec to successfully execute strategic plans; maintaining customer and partner relationships; fluctuations in tax rates and 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 and businesses gain market acceptance. Actual results may differ materially from those contained in the forward-looking statements in this press release. Symantec assumes no obligation, and do not intend, to update these forward-looking statements as a result of future events or developments. Additional information concerning these and other risks factors is contained in the Risk Factors section of Symantec's Form 10-K for the year ended April 1, 2016.

Use of Non-GAAP Financial Information

Our results of operations have undergone significant change due to the impact of litigation accruals, discontinued operations including the gain on the sale of Veritas, stock-based compensation, restructuring, transition and separation matters, charges related to the amortization of intangible assets, and certain other income and expense items that management considers unrelated to the Company's core operations. The results of operations of Blue Coat have undergone significant change due to the impact of purchase accounting on revenue from prior acquisitions, stock-based compensation, restructuring, transition and integration matters, charges related to the amortization of intangible assets, and certain other income and expense items that management considers unrelated to the Company's core operations. To help our readers understand our past financial performance and our future results, we supplement the financial results that we provide in accordance with generally accepted accounting principles, or GAAP, with non-GAAP financial measures. The method we use to produce non-GAAP results is not computed according to GAAP and may differ from the methods used by other companies. Non-GAAP financial measures are supplemental, 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. Our management team uses these non-GAAP financial measures in assessing Symantec's operating results, as well as when planning, forecasting and analyzing future periods. Investors are encouraged to review the reconciliation of our non-GAAP financial measures to the comparable GAAP results, which is attached to our press release and which can be found, along with other financial information, on the investor relations page of our website at: http://www.symantec.com/invest.

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[1] Purchase price of $4.65 billion based on estimated Blue Coat debt and cash balances at time of close and before estimated transaction expenses.

GAAP RESULTS RECONCILED TO NON-GAAP RESULTS [(1)]

(Dollars in thousands, unaudited)

	Year Ended April 30, 2016
Non-GAAP revenue	
GAAP net revenue	$ 598,337
Plus:	
Impact of purchase accounting on net revenue	157,037
Adjusted non-GAAP net revenue	$ 755,374
Non-GAAP operating margin	
GAAP operating loss	(252,478)

GAAP operating margin %	-42%
Plus:	
Impact of purchase accounting on net revenue	157,037
Amortization of intangible assets and purchased technology	165,326
Acquisition write-up of acquired inventory sold	29,210
Stock-based compensation expense	22,565
Restructuring and other charges	2,857
Acquisition fair value adjustments to earn-outs	(970)
Acquisition transaction costs	30,417
Acquisition integration, transition and other	3,537
Financial sponsor fees	5,839
Non-GAAP operating income	$ 163,340
Non-GAAP operating margin %	22%

[(1)] For more information about our non-GAAP financial measures, please see Appendix A.

GAAP RESULTS RECONCILED TO NON-GAAP RESULTS CONTINUED [(1)]

Fiscal Year Ended April 1, 2016 [(2)]

(Dollars in thousands, unaudited)

Non-GAAP pro forma net revenue

	Symantec	Blue Coat	Pro Forma
GAAP net revenue	$ 3,600,174	$ 598,337	$ 4,198,511
Plus:			
Impact of purchase accounting on net revenue	-	157,037	157,037
Non-GAAP net revenue	$ 3,600,174	$ 755,374	$ 4,355,548

[(1)] For more information about our non-GAAP financial measures, please see Appendix A.

[(2)] Blue Coat's fiscal year end differs by less than 94 days from Symantec's fiscal year end, therefore Blue Coat's net revenue from its fiscal year ended April 30, 2016 is combined with Symantec's net revenue from its fiscal year ended April 1, 2016.

Explanation of Non-GAAP Measures
Appendix A

Objective of non-GAAP measures of Symantec: Symantec Corporation ("Symantec") supplements the financial results and projections that it provides in accordance with generally accepted accounting principles, or GAAP, with non-GAAP financial measures. Symantec believes its presentation of pro forma and non-GAAP financial measures, when taken together with corresponding GAAP financial measures, provides meaningful supplemental information regarding our future results. Symantec's management team uses these pro forma and non-GAAP financial measures in assessing its operating results, as well as when planning, forecasting and analyzing future periods. Symantec believes that these non-GAAP financial measures also facilitate comparisons of its performance to prior periods and to its peers and that investors benefit from an understanding of the pro forma and non-GAAP financial measures. Pro forma and non-GAAP financial measures are supplemental and should not be considered a substitute for financial information presented in accordance with GAAP.

No reconciliation of the forecasted range for non-GAAP EPS for fiscal 2018 is included in this release because the acquisition and other charges associated with the Blue Coat acquisition that may impact the GAAP measure, as well as non-cash compensation expense and other non-cash charges, are not yet known and subject to change, and the variability of these charges could have a significant, and potentially unpredictable, impact on Symantec's future GAAP financial results.

Objective of non-GAAP measures of Blue Coat: Blue Coat, Inc. (the "Company," "we," "our" or "us") believes its 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 the Company's operating results, as well as when planning, forecasting and analyzing future periods. We believe that these non-GAAP financial measures also facilitate comparisons of the Company's performance to prior periods and to the Company's peers and that investors benefit from an understanding of the non-GAAP financial measures. Non-GAAP financial measures are supplemental and should not be considered a substitute for financial information presented in accordance with GAAP.

Impact of purchase accounting on net revenue: We define adjusted net revenue as net revenue excluding the impact of purchase accounting. The Company regularly monitors these measures to assess its operating performance. On February 15, 2012, in connection with the Thoma Bravo Acquisition, and on May 22, 2015, as part of the Bain Acquisition, the Company was required to write down its deferred revenue balances due to purchase accounting in accordance with GAAP. In addition, in connection with the Company's other acquisitions, the Company was also required to make similar adjustments to write down its deferred revenue balances due to purchase accounting in accordance with GAAP. The impact on revenue related to purchase accounting as a result of these transactions, particularly as a result of the Bain Acquisition, limits the comparability of revenue between periods. While the deferred revenue written down in connection with the Company's acquisitions will never be recognized as revenue under GAAP, we do not expect the Bain Acquisition to have an impact on future renewal rates of the contracts included within the deferred revenue write-down, nor do we expect revenue generated from new service and subscription contracts to be similarly impacted by purchase accounting adjustments. Accordingly, we believe presenting adjusted net revenue to exclude the impact of purchase accounting adjustments, including the deferred revenue write-down, aids in the comparability between periods and in assessing the Company's overall operating performance. If these adjustments were not made, the Company's future revenue growth rates could appear overstated. Adjusted net revenue has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for net revenue. Other companies in our industry may calculate this measure differently, which may limit its usefulness as a comparative measure.

Amortization of intangible assets and purchased technology: When acquiring a business, the Company is required to allocate a portion of the purchase price to the accounting value assigned to intangible assets acquired and amortize this amount over the estimated useful lives of the acquired intangible assets and purchased technology. The acquired company, in most cases, has itself previously expensed the costs incurred to develop the acquired intangible assets, and the purchase price allocated to these assets is not necessarily reflective of the cost the Company would incur in developing the intangible asset. We eliminate these amortization charges from the Company's non-GAAP operating results to provide better comparability of pre- and post-acquisition operating results and comparability to results of businesses utilizing internally developed intangible assets.

Acquisition write-up of acquired inventory sold: In connection with the Company's Bain Acquisition, and other acquisitions, the Company was required to write up its inventory balances to fair value in purchase accounting in accordance with GAAP. Recording inventory at fair value in purchase accounting had the effect of increasing inventory and thereby increasing the cost of revenue in subsequent periods as compared to the amounts the Company would have otherwise recognized. The acquisition write-up of acquired inventory sold represents the incremental cost of revenue that was recognized as a result of purchase accounting. We exclude these expenses because we believe they are not reflective of ongoing operating results in the period incurred and not directly related to the operation of the Company's business.

Stock-based compensation: This generally consists of expenses for common stock options and restricted stock determined in accordance with the authoritative guidance on stock-based compensation. For comparability purposes, we believe it is useful to provide a non-GAAP financial measure that excludes stock-based compensation in order to better understand the long-term performance of the Company's core business and to facilitate the comparison of the Company's results to the results of the Company's peer companies. Furthermore, unlike cash-based compensation, the value of stock-based compensation is determined using complex formulas that incorporate factors, such as market volatility, that are beyond the Company's control.

Restructuring and Other Charges. In connection with certain acquisitions and global realignments intended to reduce the Company's combined operating cost structure and eliminate operating redundancies, the Company incurred restructuring and other charges that primarily consisted of severance and related costs resulting from the reduction of headcount. We believe they are not directly related to the operation of the Company's business.

Acquisition fair value adjustments to earn-outs: In July 2015, the Company acquired Perspecsys, Inc. and estimated an acquisition date fair value of the contingent earn-out of $1.0 million, which was subsequently adjusted to zero and recognized as a benefit through the consolidated statements of operations in the year ended April 30, 2016. We exclude these benefits because we believe they are not reflective of ongoing operating results in the period incurred and not directly related to the operation of the Company's business.

Acquisition transaction costs: Acquisition transaction costs include financial advisory, legal and accounting professional services costs incurred as a result of the Company's acquisitions during the period. We exclude these expenses because we believe they are not reflective of ongoing operating results in the period incurred and not directly related to the operation of the Company's business.

Acquisition integration, transition and other costs: These consist of employee-related integration and transition costs, and the amortization of the write-up of our operating leases that are incurred as a result of our acquisitions during the period. We exclude these expenses because we believe they are not reflective of ongoing operating results in the period incurred and not directly related to the operation of the Company's business.

Financial sponsor fees: These consist of financial sponsor fees. We exclude these expenses because we believe they are not reflective of ongoing operating results in the period incurred and not directly related to the operation of the Company's business.

Contacts

For Symantec:
Media
Kristen Batch, 503-516-6297
kristen_batch@symantec.com

Investors
Jonathan Doros, 650-527-5523
jonathan_doros@symantec.com

For Blue Coat:
Danielle Hamel, 408-541-3651
Danielle.Hamel@bluecoat.com

For Silver Lake:
Tom Williams, 415-671-7676
silverlake@brunswickgroup.com

For Bain Capital:
Stanton Public Relations & Marketing
Alex Stanton, 212-780-0701
astanton@stantonprm.com

Charlyn Lusk, 646-502-3549
clusk@stantonprm.com

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