

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K405

Annual report pursuant to section 13 and 15(d), Regulation S-K Item 405

Filing Date: **1996-06-26** | Period of Report: **1996-03-31**
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FILER

SYMANTEC CORP

CIK: **849399** | IRS No.: **770181864** | State of Incorporation: **DE** | Fiscal Year End: **0331**
Type: **10-K405** | Act: **34** | File No.: **000-17781** | Film No.: **96585668**
SIC: **7372** Prepackaged software

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549
FORM 10-K

(MARK ONE)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934 FOR THE FISCAL YEAR ENDED MARCH 31, 1996.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM
_____ TO _____.

COMMISSION FILE NUMBER 0-17781

SYMANTEC CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE 77-0181864
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

10201 TORRE AVENUE, CUPERTINO, CALIFORNIA 95014-2132
(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code: (408) 253-9600

Securities registered pursuant to Section 12(b) of the Act:

NONE NONE
(Title of each class) (Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act:

COMMON STOCK, PAR VALUE \$0.01 PER SHARE
(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to
such filing requirements for the past 90 days.

YES NO

Indicate by check mark if disclosure of delinquent filer pursuant to Item 405
of Regulation S-K is not contained herein, and will not be contained, to the
best of registrant's knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-K or any amendment to
this Form 10-K.

Aggregate market value of the voting stock held by non-affiliates of the
registrant, based upon the closing sale price of the Symantec common stock on
June 1, 1996 as reported on the Nasdaq National Market and with respect to
the Delrina exchangeable stock on the Toronto Stock Exchange:

\$852,935,049

Number of shares outstanding of each of the registrant's classes of common
stock, including 5,272,407 shares of Delrina exchangeable stock, as of June 1,
1996:

54,124,841

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement to be delivered to stockholders in
connection with the Annual Meeting of Stockholders to be held September 25,
1996 are incorporated by reference into Part III.

SYMANTEC CORPORATION
FORM 10-K
FOR THE FISCAL YEAR ENDED MARCH 31, 1996
TABLE OF CONTENTS

PART I.

	PAGE

Item 1. Business	1
Item 2. Properties	15
Item 3. Legal Proceedings	16
Item 4. Submission of Matters to a Vote of Security Holders.	16
PART II.	
Item 5. Market for Registrant's Common Equity and Related Stockholder Matters	17
Item 6. Selected Financial Data	18
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	19
Item 8. Financial Statements and Supplementary Data . .	30
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	30
PART III.	
Item 10. Directors and Executive Officers of the Registrant	31
Item 11. Executive Compensation	34
Item 12. Security Ownership of Certain Beneficial Owners and Management.	34
Item 13. Certain Relationships and Related Transactions	34
PART IV.	
Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K.	35
Signatures.	60

PART I

ITEM 1: BUSINESS.

FORWARD-LOOKING STATEMENTS.

The following discussion contains forward-looking statements that are subject to risks and uncertainties. There are several important factors that could cause actual results to differ materially from those anticipated by the forward-looking statements contained in the following discussion. Readers should pay particular attention to the risk factors set forth in this section and in the section of this report entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations."

GENERAL.

Symantec Corporation ("Symantec" or the "Company") develops, markets and supports a diversified line of application and system software products designed to enhance individual and workgroup productivity as well as manage networked computing environments. Approximately 85% of Symantec's net revenues are derived from products that operate on Microsoft Corporation's ("Microsoft") MS-DOS, Windows or Windows 95 operating systems for IBM and IBM-compatible personal computers. Symantec also offers products for use on the Apple Macintosh and IBM OS/2 operating systems.

The Company's predecessor, C&E Software, Inc., a California corporation, and that predecessor's operating subsidiary, Symantec Corporation, a California corporation, were formed in September 1983 and March 1982, respectively. The Company was incorporated in Delaware in April 1988 in connection with the September 1988 reincorporation of the Company's predecessor and its operating subsidiary into a single Delaware corporation.

Since Symantec's initial public offering on June 23, 1989, the Company has completed acquisitions of the following companies:

<TABLE>
<CAPTION>

COMPANIES ACQUIRED	DATE ACQUIRED	SOFTWARE OR ACTIVITY ACQUIRED
<S>	<C>	<C>
Fast Track, Inc. ("Fast Track")	May 28, 1996	Network Management Utilities
Delrina Corporation ("Delrina")	November 22, 1995	Applications and Development Tools
Intec Systems Corporation ("Intec")	August 31, 1994	Applications
Central Point Software, Inc. ("Central Point")	June 1, 1994	Utilities
SLR Systems, Inc. ("SLR")	May 31, 1994	Development Tools
Fifth Generation Systems, Inc. ("Fifth Generation")	October 4, 1993	Utilities
Contact Software International, Inc. ("Contact")	June 2, 1993	Applications
Certus International Corporation ("Certus")	November 30, 1992	Utilities
MultiScope, Inc. ("MultiScope")	September 2, 1992	Development Tools
The Whitewater Group, Inc. ("Whitewater")	September 2, 1992	Development Tools
Symantec (UK) Ltd. ("Symantec UK")	April 3, 1992	Marketing Entity
Zortech Ltd. ("Zortech")	August 31, 1991	Development Tools
Dynamic Microprocessor Associates, Inc. ("DMA")	August 30, 1991	Utilities
Leonard Development Group ("Leonard")	August 30, 1991	Applications
Peter Norton Computing, Incorporated ("Norton")	August 31, 1990	Utilities

All of these acquisitions were accounted for as poolings of interest. Accordingly, all financial information has been restated to reflect the combined operations of these companies and Symantec with the exception of Fast Track, Intec, SLR, MultiScope and Whitewater, which had results of operations that were not material to Symantec's consolidated financial statements.

Symantec's strategy is to develop and market products that are, or may become, leaders in their respective categories, maintain a broad product line across multiple operating platforms and develop and market a strong

1

product offering for the enterprise or networked computing environment. Symantec's early products were primarily productivity applications, such as Q&A, a non-programmable database, and Time Line, a sophisticated project management program. In 1989, Symantec expanded its business into utility products, initially with Macintosh utilities products, and then into DOS utilities in fiscal 1991 with the acquisition of Norton, the developer of Norton Utilities and Norton Commander. In fiscal 1992, Symantec acquired DMA, the developer of pcANYWHERE and in fiscal 1993, Symantec acquired Certus, the developer of Novi, an anti-virus product that was merged into The Norton AntiVirus. In fiscal 1992 and 1993, Symantec acquired three development tools companies (Zortech, Whitewater and MultiScope) and expanded its development tools business into the DOS and Windows object-oriented programming markets. In fiscal 1994, Symantec added to its internal development of utilities with the acquisition of Fifth Generation. Also, the acquisition of Contact in fiscal 1994 expanded the Company's product line with the addition of ACT!, a contact management product. The acquisition of Central Point in fiscal 1995 added a number of desktop and enterprise utility products to Symantec's product offerings, including Mac Tools, PC Tools, XTree Gold and Central Point Antivirus. In fiscal 1996, the Company acquired Delrina which strengthened the communications segment of the business with the addition of WinFax, FormFlow and CommSuite.

During fiscal 1996, the Company sold the assets of Time Line Solutions Corporation, a wholly-owned subsidiary, in order to focus its efforts on Symantec's core product offerings.

The Company believes that the prevailing trends in the software industry are movements by companies to downsize from mainframes and minicomputers to microcomputers; a continuation of the move to more sophisticated operating systems such as Windows 95 and Windows NT; a move to networked environments of microcomputers; and a move to object-oriented programming among software developers. As a result, Symantec is currently expanding its development of network management utilities and applications that support network and workgroup computing and is continuing its development of object-oriented programming tools.

Symantec continually evaluates its product and corporate strategy and has in the past and will in the future undertake organizational changes and product and marketing strategy modifications which are designed to maximize market penetration, maximize use of limited corporate resources and develop new products and product channels. These frequent organizational changes increase the risk that objectives will not be met. Further, due to the uncertain nature of any of these undertakings, there can be no assurance that these efforts will be successful or that the Company will realize any benefit from these efforts.

While Symantec's diverse product line has tended to lessen fluctuations in

quarterly net revenues, such fluctuations have occurred recently and are likely to occur in the future. These fluctuations may be caused by a number of factors including new product introductions and product upgrades, reduced demand for any given product, the market's transition between operating systems (including the market's acceptance of and transition to Windows 95 which could be further influenced by Microsoft's release of a new version of Windows NT), seasonality of retail software sales in Europe and the transition of organizations from a desktop PC environment to an enterprise-wide networked environment and to Internet-based applications. Symantec has noted that various large corporate customers have decided to postpone or forgo migrating their microcomputer operating systems to Windows 95 and may ultimately implement Windows NT or another as of yet undetermined operating system. As a result, Symantec's future Windows 95 product revenues could be materially adversely affected. In addition, Symantec's future net revenues will depend on Symantec's ability to develop new products which operate on Windows 95 and Windows NT or the operating systems that may ultimately be accepted by the market place.

Symantec has a 52/53-week fiscal accounting year. Accordingly, all references as of and for the periods ended March 31, 1996, 1995 and 1994 reflect amounts as of and for the periods ended March 29, 1996, March 31, 1995 and April 1, 1994, respectively.

PRODUCTS AND SERVICES.

Symantec's products, comprising both application software and system software, are currently organized into the following product groups: advanced utilities, security utilities, network/communications utilities, fax, contact management, development tools and consumer/productivity applications. The following table summarizes Symantec's principal products by product group and the operating system(s) on which they run:

<TABLE> <CAPTION>	
PRINCIPAL PRODUCTS -----	OPERATING SYSTEM(S) -----
<S>	<C>
ADVANCED UTILITIES	
The Norton Utilities-Registered Trademark-	Windows, MS-DOS, Macintosh, PowerMacintosh
The Norton Utilities-Registered Trademark- for Windows 95	Windows 95
The Norton Utilities-Registered Trademark- Administrator	Windows, MS-DOS, Macintosh, PowerMacintosh
The Norton Navigator-TM- for Windows 95	Windows 95
The Norton Commander-Registered Trademark-	MS-DOS
The Norton Commander-Registered Trademark- for Windows 95	Windows 95
The Norton Desktop-TM-	Windows
The Norton Desktop-TM- Administrator	Windows, MS-DOS, OS/2
PC Tools-Registered Trademark-	Windows, MS-DOS
MacTools-Registered Trademark- Pro	Macintosh, Power Macintosh
The Norton NT Tools-TM-	Windows NT
SuperDoubler-TM-	Macintosh, Power Macintosh
Suitcase-TM-	Macintosh, Power Macintosh
XTreeGold-TM-	Windows, MS-DOS
SECURITY UTILITIES	
The Norton AntiVirus-Registered Trademark-	MS-DOS, Windows
The Norton AntiVirus-Registered Trademark- for NetWare	Windows, MS-DOS, Macintosh
The Norton AntiVirus-Registered Trademark- for Windows 95	Windows 95
Central Point Antivirus-TM-	Windows, MS-DOS, Macintosh, OS/2
Central Point Antivirus-TM- NLM	Windows, MS-DOS, Macintosh, OS/2
Symantec AntiVirus for Macintosh (SAM-Registered Trademark-)	Macintosh, Power Macintosh
Symantec AntiVirus for Macintosh (SAM-Registered Trademark-) Administrator	Macintosh, Power Macintosh
The Norton Backup-Registered Trademark-	Windows, MS-DOS
The Norton DiskLock-Registered Trademark-	Windows, MS-DOS, Macintosh, Power Macintosh
The Norton DiskLock-Registered Trademark- Administrator	Windows, Macintosh
The Norton Your Eyes Only-TM-	Windows 95
NETWORK/COMMUNICATIONS UTILITIES	
The Norton pcANYWHERE-Registered Trademark-	Windows, MS-DOS
The Norton pcANYWHERE32-Registered Trademark- for Windows 95 & NT	Windows 95, Windows NT
The Norton pcANYWHERE-Registered Trademark- Access Server	OS/2

The Norton Administrator-TM- for Networks	Windows, MS-DOS, Macintosh, OS/2
The Norton Administrator-TM- Suite	Windows
The Norton Administrator-TM- Suite for Windows 95 & NT	Windows 95, Windows NT
WinComm-Registered Trademark- PRO	Windows
WinComm-Registered Trademark- for Windows 95	Windows 95
Delrina-Registered Trademark- CommSuite-TM-	Windows
Delrina-Registered Trademark- CommSuite-TM- for Windows 95	Windows 95
Delrina-Registered Trademark- CommSuite-TM- for Networks	Windows

</TABLE>

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<TABLE>

<CAPTION>

PRINCIPAL PRODUCTS

OPERATING SYSTEM(S)

<S>

<C>

FAX	
WinFax-Registered Trademark- PRO	Windows
WinFax-Registered Trademark- PRO for Windows 95	Windows 95
WinFax-Registered Trademark- PRO for Networks	Windows
WinFax-Registered Trademark- Lite	Windows
DosFax-Registered Trademark- Lite	MS-DOS
DosFax-Registered Trademark- PRO	MS-DOS
Delrina FaxPRO-TM- for Macintosh	Macintosh
Delrina NET SatisFAXtion-TM-	Windows
CONTACT MANAGEMENT	
ACT!-Registered Trademark-	Windows, MS-DOS, Macintosh, Power Macintosh, Newton, Psion, Lotus Notes, HP Palmtop
ACT! Mobile Link-TM-	Windows
DEVELOPMENT TOOLS	
Symantec-Registered Trademark- C++	Windows, MS-DOS, Macintosh, Power Macintosh, OS/2
Symantec-Registered Trademark- C++ for Windows 95 & NT	Windows 95, Windows NT
Symantec Cafe-TM-	Macintosh, Power Macintosh
Symantec Cafe-TM- for Windows 95	Windows 95
FormFlow-Registered Trademark-	Windows, UNIX, MS-DOS
THINK C-TM-	Macintosh
CONSUMER/PRODUCTIVITY APPLICATIONS	
Q&A-Registered Trademark-	Windows, MS-DOS
CyberJack-TM-	Windows 95

</TABLE>

ADVANCED UTILITIES

Advanced Utilities represented approximately 30% of Symantec's revenues in fiscal 1996.

THE NORTON UTILITIES/THE NORTON UTILITIES ADMINISTRATOR are a set of "tools" designed to address the system-level operations of the Windows, MS-DOS, Macintosh and Power Macintosh operating systems. The Norton Utilities product provides disk and data recovery, security, performance optimization, system and .ini-file monitoring and preventive maintenance functions. The Norton Utilities can restore the structure of a disk and files under certain conditions and can also provide for file de-fragmentation, system operation information, file unerasing and other file and system operation improvements. The Norton Utilities Administrator is a network version of The Norton Utilities.

THE NORTON UTILITIES FOR WINDOWS 95 is a 32-bit utility that is designed to provide continuous system protection and includes an automated and advanced set of data and system preparation, protection and recovery tools for Windows 95 data under Windows 95. The Norton Utilities for Windows 95 is specifically designed to leverage Windows 95 architecture and deliver a true 32-bit utilities solution.

THE NORTON NAVIGATOR FOR WINDOWS 95 is a set of 32-bit file management tools and desktop enhancements for Windows 95 to manage files and move around the new desktop in Windows 95. Integrated with Windows 95, The Norton Navigator for Windows 95 is a natural extension of the new operating system, designed to enhance speed, functionality and operating convenience. By extending Windows 95's basic capabilities, The Norton Navigator for Windows 95 lets users quickly find files and programs and configure their systems to improve

productivity.

THE NORTON COMMANDER is an MS-DOS shell designed to provide a character-based graphical approach and mouse capability for MS-DOS operations such as copy, move and delete. The Norton Commander includes an MCI mail facility, file compression and Commander Link and a PC-to-PC file transfer function. The Norton Commander includes a wide range of file viewers, application launching functions and a customizable menuing facility.

4

THE NORTON COMMANDER FOR WINDOWS 95 is a 32-bit utility that is designed to provide a character-based graphical approach and mouse capability for Windows 95 operations such as copy, move and delete. The Norton Commander for Windows 95 includes a wide range of file viewers, application launching functions and a customizable menuing facility. Additional features for the Windows 95 version include a variety of network utilities and editor associates.

THE NORTON DESKTOP/THE NORTON DESKTOP ADMINISTRATOR/PC TOOLS gives the user easy access and maneuverability within the Windows environment by integrating the functionality of the Windows' Program Manager and File Manager. The Norton Desktop enables the user to access a number of integrated tools, including The Norton Backup, The Norton AntiVirus, Deskedit, Unerase-Registered Trademark-, Superfind-TM-, The Norton Disk Doctor-Registered Trademark-, SmartErase-TM-, Sleeper-TM-, Batch Builder-TM-, Keyfinder-TM- and Icon Editor. From the integrated file manager, the user can also launch, copy, move, view and delete a file or application by clicking and dragging icons on the desktop. The Norton Desktop Administrator is a network version of The Norton Desktop. PC Tools includes CrashGuard-TM-, System Consultant-TM-, File Companions-TM-, INI-Consultant-TM-, AutoSync-TM-, DiskFix-Registered Trademark- and Optimizer.

MACTOOLS PRO is a disk utility program that uses innovative software technology to provide a simple and accessible user interface under the Macintosh and Power Macintosh operating systems. MacTools Pro includes Optimizer, Trashback, MacTools Clinic, DiskFix-Registered Trademark-, FileFix-TM-, Backup, Undelete, Autocheck and FastCopy-TM-.

THE NORTON NT TOOLS is a set of utilities that combines anti-virus protection, powerful file management and the ability to monitor key system resources under the Windows NT operating system. Key features include real-time system monitoring and status with System Doctor and System Information, protection against viruses on the desktop and over the Internet and automatic alert notification of virus definition updates.

SUPERDOUBLER automatically and transparently increases hard disk space for the Macintosh and Power Macintosh operating systems through file compression. SuperDoubler includes accelerated background copying and deleting for the Macintosh and Power Macintosh operating systems.

SUITCASE is a resource management tool for the Macintosh and Power Macintosh operating systems. Suitcase helps organize and access font, DA, sound and FKEY resources.

XTREEGOLD is a full featured file manager for MS-DOS and Windows which includes full keystroke capability in order to take advantage of its powerful shortcuts.

SECURITY UTILITIES

Security Utilities represented approximately 25% of Symantec's revenues in fiscal 1996.

THE NORTON ANTIVIRUS/THE NORTON ANTIVIRUS FOR NETWARE/THE NORTON ANTIVIRUS FOR WINDOWS 95/CENTRAL POINT ANTIVIRUS/CENTRAL POINT ANTIVIRUS NLM/SYMANTEC ANTIVIRUS FOR MACINTOSH (SAM) are programs for the protection, detection and elimination of computer viruses under the MS-DOS, Windows, Windows 95, Macintosh, Power Macintosh and OS/2 operating systems. They provide virus protection, detection and repair capability, recognize virus-like behavior and prevent most known or unknown viruses from infecting a system. They detect viruses and disinfect infected files and disks during normal computer use. They also detect and disinfect floppy boot-track viruses, stealth and encrypted viruses and remove active viruses from memory. The Norton AntiVirus for Windows 95 is a full 32-bit virus protection product specifically designed for Windows 95. The Norton AntiVirus for Windows 95 supports the Windows 95 interface and is designed to prevent viruses with a unique, comprehensive, multi-layered line of defense that combines scanning, virus sensing and inoculation. The Norton AntiVirus is also available for Novell's operating system as a NetWare Loadable Module ("NLM") and is known as The Norton AntiVirus for NetWare. The NLM can scan MS-DOS, Windows and Macintosh file types.

SYMANTEC ANTIVIRUS FOR MACINTOSH (SAM) ADMINISTRATOR is an application which

provides centralized network distribution and maintenance of the Symantec AntiVirus for Macintosh. Its configurable network installation and upgrade capabilities enable administrators to protect remote networked Macintosh systems.

THE NORTON BACKUP is a hard disk backup program. The Norton Backup provides automatic program installation and configuration, point and shoot file selection and user-level options. Both a MS-DOS and Windows version of the product is available.

THE NORTON DISKLOCK protects PC and Macintosh computers from unwanted intrusion. The Norton DiskLock provides boot protection to prevent unauthorized users from accessing a PC's hard disk drive. In addition to full

5

disk access control, The Norton DiskLock allows for basic password protection and selective locking to secure individual files or folders in a shared environment. It also provides SpeedCrypt for especially sensitive data and is available in MS-DOS, Windows, Macintosh and Power Macintosh versions.

THE NORTON DISKLOCK ADMINISTRATOR makes it easy to configure, distribute and monitor workstation security from one central location as well as configure and distribute security for all Macintoshes on the network remotely. It also gathers the audit logs for each workstation so security can be monitored from one central database.

THE NORTON YOUR EYES ONLY offers comprehensive 32-bit security designed specifically for the Windows 95 operating system, "on-the-fly" automatic encryption using RSA's public key encryption technology, optional access control during boot-up to prevent unauthorized access to data on the hard disk, configurable automatic time-out blanking of screen if the computer system is idle for a specified period of time and the administrator version provides configuration, distribution and management for an entire network from a central location

NETWORK/COMMUNICATIONS UTILITIES

Network/Communications Utilities represented approximately 20% of Symantec's revenues in fiscal 1996.

THE NORTON PCANYWHERE offers reliable, fast and flexible PC-to-PC remote computing via serial or modem connection. The Norton pcANYWHERE lets the user remotely control one PC from the keyboard of another PC. The offsite remote PC, laptop or PC terminal controls the operation of the distant host PC. The software allows the user to run any MS-DOS or Windows application remotely, transfer files and perform other data operations. In addition to allowing a remote user to run a distant PC, The Norton pcANYWHERE optionally allows users at the host (distant) machine to view the operations being conducted from the remote site. This makes The Norton pcANYWHERE ideal for support of users as a remote helpdesk function for both problem solving and application training.

THE NORTON PCANYWHERE32 FOR WINDOWS 95 & NT is a full 32-bit remote computing product specifically designed for Windows 95 and Windows NT. The Norton pcANYWHERE32 allows a user, from any location, to quickly and easily access applications and from any Windows 95, Windows NT or DOS environment.

THE NORTON PCANYWHERE ACCESS SERVER allows network administrators to centrally manage multiple remote control sessions. The Norton pcANYWHERE Access Server provides mobile users with simple, efficient and secure access to networks.

THE NORTON ADMINISTRATOR FOR NETWORKS is a single solution to reduce network management costs substantially through the automation of key manually intensive local area network (LAN) administration tasks. Its key features include full integration of hardware and software inventory, software distribution, license monitoring and metering and the automation of costly LAN administration tasks. The Norton Administrator for Networks supports major operating systems and provides the ability to add in The Norton AntiVirus, The Norton pcANYWHERE remote control technology, The Norton Utilities Administrator and The Norton DiskLock Administrator.

THE NORTON ADMINISTRATOR SUITE/THE NORTON ADMINISTRATOR SUITE FOR WINDOWS 95 & NT is a comprehensive, cost-effective solution for companies managing a LAN with less than 1,000 nodes. Its key features include hardware and software metering and distribution, desktop virus protection, desktop configuration management and remote control. The Norton Administrator Suite is compatible with Windows, Windows 95 and Windows NT.

WINCOMM PRO for Windows features predefined links to popular on-line services, including MCI Mail, CompuServe, GENie and AT&T Mail and can be used to connect to bulletin boards, mainframes and remote PCs. WinComm PRO

incorporates a powerful scripting language that allows users to completely customize and automate communications sessions and features an on-line virus detector that checks for over 300 common viruses as files are downloaded.

WINCOMM FOR WINDOWS 95 allows users to connect to hundreds of bulletin board systems and popular on-line services such as CompuServe. It supports the most popular file transfer protocols, terminal emulations and modems. WinComm for Windows 95 includes user definable columns and rows, support for sound and a graphical interface format viewer to view files as they are downloaded. Other features include virus detection, a host mode, a Backscroll Buffer, split screen capability and a PKZIP manager to conserve valuable disk space.

DELRINA COMMSUITE for Windows is a retail product that includes both WinFax PRO and WinComm PRO, integrating fax and data communications functionality. Delrina CommSuite allows both fax communications and data

6

communications software to address the same fax modem hardware without the technical difficulties that normally occur when fax and communications software are operated simultaneously.

DELRINA COMMSUITE FOR WINDOWS 95 combines WinFax PRO, WinComm PRO, Cyberjack and TalkWorks into one economical suite. Specifically designed for Windows 95, the suite enables users to perform true multitasking and multithreading, allowing them to send and receive faxes, voice mail, e-mail and pager messages completely in the background. Other features include drag and drop interface, easy-to-use help wizards, long filenames, MAP/TAPI support and UNIMODEM. Delrina CommSuite for Windows 95 is compatible with Microsoft Exchange and enables users to send and receive Internet e-mail. It provides voice and telephone capabilities that enable a PC to perform as a full-featured answering machine and advanced telephone. Finally, Delrina CommBar provides users instant access to the status of all communications activities.

DELRINA COMMSUITE FOR NETWORKS is the network version of Delrina CommSuite and combines the network version of WinFax PRO with a network version of WinComm PRO. This product allows network users to utilize the same fax modem hardware for both network faxing and network data communications.

FAX
Fax represented approximately 10% of Symantec's revenues in fiscal 1996.

WINFAX PRO for Windows contains features and enhancements, including a streamlined drag-and-drop interface, a "customizable" phone book and an enhanced viewer which enables users to "clean up" faxes or quickly rotate any faxes that have been received upside down. WinFax PRO combines advanced faxing features such as functionality for mobile users and integration with popular e-mail systems. The fourth generation of WinFax PRO also includes binary file transfer and "Microsoft at Work" capability which enables users with a class 1 modem to transmit not just images of documents but the actual working files themselves.

WINFAX PRO FOR WINDOWS 95 allows users to send, receive and manage faxes in Windows 95. WinFax PRO for Windows 95 provides background faxing, which allows users to continue working on other applications while sending a fax and enhanced file compression, which increases the speed at which faxes are transmitted. Other features include "Delrina Pager," which allows a computer to page a user to alert him or her of incoming voice and fax messages and "call identify," which allows a user to view the incoming fax or phone number on the user's computer screen before answering the phone. In order to use the call identify feature of WinFax PRO for Windows 95, users must subscribe to their local telephone company's service.

WINFAX PRO FOR NETWORKS is the network version of WinFax PRO. While LANs have become widespread in many organizations, the Company believes that only a small percentage of this installed base has a network fax system. WinFax PRO for Networks is a cost-effective, flexible and expandable solution that provides multi-user access to a network's fax modem resources in an efficient and controlled fashion. WinFax PRO for Networks is designed to work with popular network operating systems, including Novell NetWare, Novell NetWare Lite, Artisoft LANtastic and Microsoft Windows for Workgroups, without the need for a dedicated fax server. In addition, WinFax PRO for Networks offers comprehensive support for the most common e-mail packages, enabling users to receive faxes directly to their e-mail address.

WINFAX LITE AND DOSFAX LITE are OEM versions of the retail fax software products for Windows and DOS users, respectively, and have been bundled by over 100 PC and fax modem manufacturers and software vendors. These products offer basic fax functionality and can be upgraded to full-featured retail products.

DOSFAX PRO AND DELRINA FAXPRO FOR MACINTOSH are the DOS and Macintosh versions, respectively of WinFax PRO. These products allow users to send,

receive and manage all fax activities without interruption.

DELRINA NET SATISFAXTION is a network fax product focused on the larger corporate marketplace. While WinFax PRO for Networks focuses on the workgroup or departmental level, Delrina NET SatisFAXtion is focused on the enterprise. Delrina NET SatisFAXtion provides enterprise users with the same capabilities as WinFax PRO for Networks. Requiring a dedicated fax server computer, NET SatisFAXtion delivers security, auditing and detailed billing features required in the enterprise environment.

7

CONTACT MANAGEMENT

Contact Management represented approximately 10% of Symantec's revenues in fiscal 1996.

ACT! is an easy-to-use contact database with a graphical activity schedule, a full-featured word processor and a report generator. ACT! manages and integrates a user's contacts, calendar and communication through the use of integrated e-mail messaging. ACT! runs on the Windows, MS-DOS, Macintosh, Newton, Psion, Lotus Notes and HP Palmtop operating systems.

ACT! MOBILE LINK is an add-on product to ACT! for Windows. ACT! Mobile Link automates communication between individuals in the office and mobile professionals by providing the ability to remotely access and exchange contact information. It supports data maintained centrally as well as using e-mail to synchronize two or more users of the same database and calendar.

DEVELOPMENT TOOLS

Development Tools represented approximately 5% of Symantec's revenues in fiscal 1996.

SYMANTEC C++ is a set of professional programming tools for C++ and provides support for developing MS-DOS, Windows, Macintosh, Power Macintosh and OS/2 applications. The MS-DOS and Windows versions include enhanced 32-bit development support, including 32-bit Microsoft Foundation Classes on CD-ROM. It supports full template debugging and features a hierarchical project management system with full dependency tracking. The Macintosh version includes a new version of THINK Class Library (TLC 2.0), which allows developers to write applications that are portable to PowerPC microprocessor-based Macintoshes. Symantec C++ for Macintosh also includes Bedrock exception-handling and THINK Inspector that allows quick debugging.

SYMANTEC C++ FOR WINDOWS 95 & NT is a powerful development system that provides tools for developing applications for Windows 95 and Windows NT. Symantec C++ for Windows 95 and Windows NT provides the user with a way to architect, navigate, build and debug Windows 95 and Windows NT applications.

SYMANTEC CAFE for the Macintosh and Power Macintosh systems is a way to create Java applications and applets that add dynamic functionality to World Wide Web pages. It features a native Java compiler that allows builds of Java programs. Symantec Cafe also includes a full suite of integrated tools for Java Development, including a project manager, editor, browser, graphical debugger and applet viewer.

SYMANTEC CAFE FOR WINDOWS 95 features a native Java compiler that allows builds of Java programs. It provides a Class Browser, an introduction to Java programming book and over 35 sample applets that help developers get started quickly using Java in their web pages. In addition, Symantec Cafe for Windows 95 provides a fully integrated graphical debugger for Java, allowing developers to do source level debugging of their Java standalone applications or applets that are embedded inside an HTML web page.

FORMFLOW is a LAN-based workflow automation product that works in a heterogeneous enterprise environment supporting multi-vendor e-mail, operating systems and databases. FormFlow is unique in using the binary file transfer capabilities of WinFax PRO to enable users to send actual data files rather than the traditional bitmap images normally associated with conventional faxing. As a result, customers are currently able to create viable and affordable alternative electronic communications solutions. The product supports leading network-based e-mail systems, including Microsoft Mail, Lotus cc:Mail and Notes and Banyan eMail. FormFlow also comes with a tracking application to let users keep up-to-date on the status of the forms routed across the network.

THINK C provides users with an integrated set of tools, including a C compiler, to develop software in C for the Macintosh. The product consists of five main components: a text editor that allows a programmer to enter and modify text files of statements in human-readable C programming language (source code); a compiler that translates files of statements in C source code into binary instruction modules that a computer can execute (object code); a linker that enables separate object code modules to be combined to

form a complete program; a source level debugger to support the testing of software while it is being developed; and a project manager that automates the management of all of these processes.

CONSUMER/PRODUCTIVITY APPLICATIONS

Consumer/Productivity Applications represented less than 5% of Symantec's revenues in fiscal 1996.

Q&A for Windows and DOS is an easy-to-use, integrated database management and word processing program with sophisticated report generation capabilities. Q&A also has a natural language interface that allows the user to request reports from a database using plain English sentences instead of database commands.

CYBERJACK organizes the Internet into a manageable and usable information resource through its Guidebook technology and full complement of Internet tools. It is fully integrated with Windows 95 and provides users with full-featured client applications, including a Web browser, USENet News reader, FTP file transfer, Internet chatting sessions, e-mail via Microsoft Exchange, search capabilities with Gopher and Archie and Image and Zip managers with built-in Norton AntiVirus.

SALES, INTERNATIONAL SALES AND CUSTOMER SUPPORT. Symantec markets its products worldwide utilizing a multi-channel strategy of direct sales and indirect sales through independent software distributors, major retail chains and resellers.

SALES

Symantec utilizes a direct sales force that encourages end users to adopt Symantec's products as corporate standards. The direct sales force focuses primarily on site license sales where a license for multiple workstations is sold to a customer at a negotiated price. The sales cycle with respect to site license sales may be lengthy and may be subject to integration and acceptance by the customer. The Company also employs an indirect sales force that works closely with its major distributor and reseller accounts to manage the flow of orders, inventory levels and sell-through to retail chains as well as promotions and other selling activities. At March 31, 1996, Symantec had approximately 130 people in its direct and indirect sales force.

Symantec maintains distribution relationships with major independent distributors. These distributors stock Symantec's products in inventory for redistribution to independent dealers, consultants and other resellers. Symantec also maintains relationships with major retailers, including CompUSA, Computer City and Egghead Discount Software. Symantec markets to these retailers either directly or through independent distributors. Additionally, Symantec sells product upgrades and certain of its products to end users through direct mail campaigns.

Approximately 37% of Symantec's net revenues in the year ended March 31, 1996 were derived from Symantec's two largest distributors. Ingram Micro D represented 27%, 22% and 18% of Symantec's net revenues in fiscal 1996, 1995 and 1994, respectively, while Merisel represented 10%, 11% and 13% of Symantec's net revenues in fiscal 1996, 1995 and 1994, respectively. Agreements with distributors are generally nonexclusive and may be terminated by either party without cause. Such distributors are not within the control of Symantec, are not obligated to purchase products and may also represent other vendors' product lines. There can be no assurance that these distributors will continue their current relationships with Symantec on the same basis, or that they will not give higher priority to the sale of other products, which could include products of competitors. Additionally, certain distributors and resellers have experienced financial difficulties in the past. There can be no assurance that distributors that account for significant sales of the Company will not experience financial difficulties in the future. Any such problems could lead to reduced sales and could adversely affect operating results of the Company. There can be no assurance that Symantec will be able to continue to obtain adequate distribution channels for all of its products in the future.

Symantec's return policy allows its distributors, subject to certain limitations, to return purchased products in exchange for new products or for credit towards future purchases. End users may return products through dealers and distributors within a reasonable period from the date of purchase for a full refund, and retailers may return older versions of products. Various distributors and resellers may have different return policies that may negatively impact the level of products which are returned to Symantec. Product returns occur when the Company introduces upgrades and new versions of products or when distributors order too much product. In addition, competitive factors often require the Company to offer rights of return for products that distributors or retail stores are unable to sell. Symantec has experienced, and may experience in the future, significant increases in

product returns above historical levels from customers of acquired companies after an acquisition is completed. Symantec prepares detailed analyses of historical return rates when estimating anticipated returns and maintains reserves for product returns. In addition to detailed historical return rates, the Company's estimation of return reserves takes into consideration upcoming product upgrades, current market conditions, customer inventory balances and any other

9

known factors that could impact anticipated returns. Based upon returns experienced, the Company's estimates have been materially accurate. The impact of actual returns on net revenues, net of such provisions, has not had a material effect on the Company's liquidity as the returns typically result in the issuance of credit towards future purchases as opposed to cash payments to the distributors. However, there can be no assurance that future returns will not exceed the reserves established by the Company or that future returns will not have a material adverse effect on the operating results of the Company.

Symantec's marketing activities include advertising in trade, technical and business publications, cooperative marketing with distributors, resellers and dealers, periodic direct mailings to existing and prospective end users and participation in trade and computer shows. Additionally, the Company typically offers two types of rebate programs, volume incentive rebates and rebates to end users. Volume incentive rebates are made available to Symantec's largest distributors and resellers whereby the distributor or reseller earns a rebate based upon their purchases or the volume of product they sell to end users. Volume incentive rebates are accrued when revenue is recorded. The amount of these rebates as a percentage of net revenues has been consistent for all periods presented and has not had a material impact on the Company's liquidity. The Company also offers rebates from time to time to end users who purchase the Company's products. End user rebates are accrued when revenue is recorded. These end user rebates have been offered on a limited basis and have not been material to the Company's results of operations or liquidity in fiscal 1996, 1995 or 1994.

INTERNATIONAL SALES

International revenues represented approximately 32%, 31% and 29% of Symantec's net revenues in fiscal 1996, 1995 and 1994, respectively. At March 31, 1996, Symantec had approximately 125 sales, marketing and related personnel in its international sales organization.

The majority of Symantec's net revenues from certain European regions are derived from sales by affiliates of Symantec's major United States distributors. In other countries, Symantec sells its products through authorized distributors. In some countries, these distributors are restricted to specified territories. Symantec typically adapts products for local markets, including translating the documentation and software where necessary, and prepares comprehensive marketing programs for each local market.

Symantec has established marketing offices in Australia, Brazil, Canada, France, Germany, Holland, Hong Kong, Italy, Japan, Mexico, New Zealand, Russia, Singapore, Sweden, Switzerland, Taiwan and the United Kingdom. These local offices facilitate Symantec's marketing and distribution in international markets. The Company's international operations are subject to certain risks common to international operations, such as government regulations, import restrictions, currency fluctuations, repatriation restrictions, seasonality in the retail software market in Europe and, in certain jurisdictions, reduced protection for the Company's copyrights and trademarks. Information with respect to international operations and export sales may be found in Note 12 of the Notes to Consolidated Financial Statements in Part IV, Item 14 of this Form 10-K.

CUSTOMER SUPPORT

During the quarter ended March 31, 1994, Symantec introduced a new product support program that provides a wide variety of free and fee-based technical support services to its customers. Symantec provides its customers with free support via electronic and automated services as well as 90 days complimentary free telephone support for selected products. Symantec accrues the cost of providing this free support at the time of product sale. In addition, Symantec offers both individual users and corporate customers a variety of fee-based options designed to meet their individual technical support requirements. Fee-based technical support services did not generate material revenues in fiscal 1996, 1995 or 1994 and are not expected to generate material revenues in the near future.

PRODUCT DEVELOPMENT AND ACQUISITIONS.

Symantec uses a multiple products sourcing strategy that includes internal development, acquisitions of product lines or companies and licensing from

third-parties. Development of new products and enhancement of existing products are typically performed by Symantec in individual product groups. Each group's responsibilities include design, development, documentation and quality assurance. Outside contractors are used for certain aspects of the product development process.

Symantec uses strategic acquisitions, as necessary, to provide certain technology and products for its overall product strategy. The Company has completed a number of acquisitions of companies and products and expects to acquire

10

other companies and products in the future. In addition to the significant business risks associated with acquisitions, which include the successful combination of the companies in an efficient and timely manner, the coordination of research and development and sales efforts, the retention of key personnel and the integration of the acquired products, Symantec frequently incurs significant acquisition expenses for legal, accounting and financial advisory services and other costs related to the combination of the companies. In the past these costs have had, and may, with respect to possible future acquisitions have, a significant adverse impact on the Company's profitability and financial resources. There can be no assurance that any of the Company's acquisitions will be successfully assimilated into the Company's operations. In addition, the comparison of future Company revenues, expenses and profitability to historical revenues, expenses and profitability on a pooled basis may be adversely impacted by the elimination of duplicative products and operating activities.

The Company is devoting substantial efforts to the development of software products that are designed to operate on Windows 95 and Windows NT, as well as the development of products for networked operating environments and network management. Due to the inherent uncertainties of software development projects, there can be no assurance that any products currently being developed by Symantec will be technologically successful, that any resulting products will achieve market acceptance or that the Company will be effective in competing with products currently in the market. There can also be no assurance that Symantec will elect to develop software products for the operating environments that ultimately are accepted by the marketplace, including Windows 95 and Windows NT. Development for networked operating environments is more complex than development for the desktop and requires a higher level of research and development expenditures. As a consequence of the complexity of developing products for networked operating environments and operating systems using graphical user interfaces and Symantec's emphasis on technical excellence, Symantec has experienced delays in the development and delivery of its products and is likely to experience such delays in the future. Although such delays have undoubtedly had a material adverse effect on Symantec's business, Symantec is not able to quantify the magnitude of net revenues that were deferred or lost as a result of any particular delay because Symantec is not able to predict the amount of net revenues that would have been obtained had the original development expectations been met. Due to the inherent uncertainties of software development projects, Symantec does not generally disclose or announce the specific expected shipment date of the Company's product introductions.

Symantec's total research and development expenses were approximately \$94.7 million, \$70.7 million and \$68.1 million in fiscal 1996, 1995 and 1994, respectively. Research and development expenditures are charged to operations as incurred. The increase in research and development expenses in fiscal 1996 was principally due to the development of products for the Windows 95 operating system. Financial accounting rules requiring capitalization of certain software development costs have not materially affected the Company, except for amounts capitalized by Delrina prior to its acquisition by Symantec. Delrina did not capitalize any software development costs in fiscal 1996 and capitalized \$6.3 million and \$2.6 million in software development costs in fiscal years 1995 and 1994, respectively. The related amortization expense was \$5.6 million, \$4.0 million and \$1.9 million in fiscal 1996, 1995 and 1994, respectively.

Elements of certain Company products are licensed from third-party developers.

COMPETITION.

The microcomputer software market is intensely competitive and is subject to rapid changes in both technology and the strategic direction of major microcomputer hardware manufacturers and operating system providers. The Company's competitiveness depends on its ability to enhance its existing products and to offer new products on a timely basis. The Company has more limited resources than certain of its competitors and must restrict its product development efforts to a relatively small number of projects. Further, the Company has less experience in the enterprise/network market than many of its competitors and fewer relationships and less experience with systems integrators and other third-party vendors that provide consulting and implementation services necessary to sell many of these products.

Price competition is significant in the microcomputer business software market and may continue to increase and become even more significant in the future, resulting in reduced profit margins. Site and enterprise-wide licensing (permitting large volume customers to copy a program and its documentation for use within a particular site or within an enterprise at discounted prices), discount pricing for large volume distributors and retailers, product bundling promotions (whereby multiple products of one or more vendors are bundled and sold together at a price significantly

11

more attractive to the purchaser than buying each product separately) and competitive upgrade programs are forms of price competition that have become more prevalent. Additionally, should competitive pressures in the industry increase, Symantec may have to increase its spending on sales and marketing as a percentage of net revenues, resulting in lower profit margins.

With the introduction of Microsoft's Windows 95 and Windows NT operating systems, the Company's ability to generate revenue from many of its current products will depend on its ability to develop new versions and enhancements of those products in a timely manner for the Windows 95 and Windows NT operating systems and/or other operating systems that may gain market acceptance. The Company has experienced delays in the development and delivery of its products and may experience such delays in the future, which would result in a loss of competitiveness of the Company's products and could adversely affect the Company and its financial results.

Operating system vendors such as Microsoft have added features to new versions of their products that provide some of the same functionality traditionally offered in Symantec's utility products. Symantec believes this trend may continue. Microsoft may incorporate advanced utilities and other features in future versions of Windows 95, Windows NT or other operating systems that may decrease the demand for certain of the Company's products, including those currently under development. A number of software developers have integrated antivirus capabilities into their internet products. While Symantec plans to continue to improve its utility products with a view toward providing enhanced functionality over what may be provided in operating systems, there is no assurance that these efforts will be successful or that such improved products will be accepted by software users. Symantec will also attempt to work with operating system vendors in an effort to make its utility products compatible with those operating systems, yet differentiate those utility products from features included in the operating systems. However, there is no assurance that these efforts will be successful.

Because of the breadth of its product line, the Company competes with at least one product from many of the major independent software vendors, including Borland International, Inc. ("Borland"), DataStorm, Inc. ("DataStorm"), DCA, Inc. ("DCA"), ELAN Software Corporation ("ELAN"), International Business Machines Corporation ("IBM"), Intel Corporation ("Intel"), JetForm Corporation ("JetForm"), McAfee Associates, Inc. ("McAfee"), Microcom, Inc. ("Microcom"), Microsoft Corporation ("Microsoft"), Norton-Lambert Corporation ("Norton-Lambert"), Novell, Inc. ("Novell"), Phoenix Technologies Ltd. ("Phoenix"), TouchStone Software Corporation ("TouchStone"), Traveling Software, Inc. ("Traveling Software"), Starfish Software, Inc. ("Starfish") and SofNet, Inc. ("SofNet").

For example, The Norton Administrator for Networks competes with Microsoft System Management Server from Microsoft and LanDesk from Intel. The Norton Utilities and The Norton Backup compete with operating systems, such as Microsoft's MS-DOS, IBM's DOS and Novell's DR-DOS, which offer file recovery, anti-virus and backup features as well as products from independent utilities vendors. The Norton AntiVirus and Central Point Antivirus compete with PC-cillin 95 from TouchStone and Viruscan from McAfee. Symantec's The Norton pcANYWHERE competes mainly with Laplink from Traveling Software, Carbon Copy from Microcom, Close Up from Norton Lambert and NetRemote from McAfee. ACT! competes with Lotus Organizer for Windows from IBM, GoldMine from ELAN, Sidekick from Starfish and many other personal information managers produced by various software developers. Symantec C++ competes with C++ compilers from Borland and Microsoft. The Norton Desktop for Windows and PC Tools for Windows compete with Dashboard from Starfish. Delrina WinFax PRO competes with products offered by Phoenix, Traveling Software and SofNet, as well as Microsoft's Windows 95 operating system. WinComm and Delrina CommSuite compete with DataStorm's ProComm and DCA, Inc.'s Crosstalk. FormFlow competes with products offered by JetForm, Novell, IBM and Microsoft. In addition, these and other Company products compete less directly with a number of other products that offer levels of functionality different from those offered by Symantec's products or that were designed for a somewhat different group of end users.

Symantec also competes with microcomputer hardware manufacturers that develop their own software products. Further, Symantec competes with other microcomputer software companies for access to the channels of retail

distribution and for the attention of customers at the retail level and in corporate accounts. Finally, Symantec competes with other software companies in its efforts to acquire products or companies and to publish software developed by third parties. Symantec believes that, in the next few years, competition in the industry will intensify as most major software companies expand their product lines into additional product categories. Some of the Company's competitors have substantially greater financial, marketing and technological resources than Symantec.

12

Due to the rapid change in software distribution technology as demonstrated by the increase in software distributed through the Internet, there can be no assurance that Symantec will be able to develop an effective method of distributing its software products utilizing each of the available distribution channels or that Symantec will develop distribution channels for those channels which are ultimately accepted by the marketplace. The presence of new channels could adversely impact existing channels and/or product pricing, which could have a material adverse impact on the Company's net revenues as the Company moves to new channels.

MANUFACTURING AND BACKLOG.

Symantec's product development organization produces a set of master diskettes and documentation for each product. Most of Symantec's domestic manufacturing is performed by outside contractors under the supervision of Symantec's manufacturing organization. Purchasing of most raw materials and fulfillment of most orders is done by Symantec personnel in Symantec's Sunnyvale, California facility. The manufacturing steps that are subcontracted to outside organizations include the duplication of diskettes and CD-ROM's, printing of documentation materials and assembly of the final package. Symantec performs diskette duplication and assembly of the final package in its Dublin, Ireland manufacturing facility for most products distributed outside of the United States, Canada and Latin America.

Symantec is often able to acquire materials on a volume-discount basis and has multiple sources of supply for certain materials. To date, Symantec has not experienced any material difficulties or delays in production of its software and related documentation and packaging. However, shortages may occur in the future. For example, shortages of certain materials may occur when Microsoft introduces new operating systems.

Symantec normally ships products within one week after receiving an order. Thus, Symantec does not consider backlog to be a significant indicator of future performance.

PRODUCT PROTECTION.

Symantec regards its software as proprietary and relies on a combination of copyright, patent and trademark laws and license agreements in an attempt to protect its rights. Despite these precautions, it may be possible for unauthorized third parties to copy aspects of Symantec's products or to obtain and use information that Symantec regards as proprietary. All of Symantec's products are protected by copyright, and Symantec has several patents and patent applications pending. However, existing patent and copyright laws afford limited practical protection. In addition, the laws of some foreign countries do not protect Symantec's proprietary rights in its products to the same extent as do the laws of the United States. Symantec's products are not copy protected.

As the number of software products in the industry increases and the functionality of these products further overlap, Symantec believes that software developers will become increasingly subject to infringement claims. This risk is potentially greater for companies, such as Symantec, that obtain certain of their products through publishing agreements or acquisitions, since they have less direct control over the development of those products.

In addition, an increasing number of patents are being issued that are potentially applicable to software, and allegations of patent infringement are becoming increasingly common in the software industry. It is impossible to ascertain all possible patent infringement claims because new patents are being issued continually, the subject of patent applications is confidential until a patent is issued, and it may not be apparent even from a patent that has already been issued whether it is potentially applicable to a particular software product. This increases the risk that Symantec's products may be subject to claims of patent infringement. Although such claims may ultimately prove to be without merit, they are time consuming and expensive to defend. Symantec has been involved in disputes claiming patent infringement in the past and may be involved in such disputes in the future. If Symantec is alleged to infringe one or more patents, it may choose to litigate the claim and/or seek an appropriate license. If litigation were to commence, a license were not available on reasonable terms or if another party were found to have a valid patent claim against Symantec, it could have a material adverse effect on Symantec.

SEASONALITY.

While Symantec's diverse product line has tended to lessen fluctuations in quarterly net revenues, these fluctuations have occurred recently and are likely to occur in the future. These fluctuations may be caused by a number of factors, including the timing of announcements and releases of new or enhanced versions of its products and product upgrades, the introduction of competitive products by existing or new competitors, reduced demand for any given product, seasonality in the retail software market in Europe, the market's transition between operating systems

13

and the transition from a desktop PC environment to an enterprise-wide environment. These factors may cause significant fluctuations in net revenues and, accordingly, operating results.

EMPLOYEES.

As of March 31, 1996, Symantec employed approximately 2,200 people, including 1,100 in sales, marketing and related staff activities, 700 in product development and 400 in management, manufacturing, administration and finance. None of the employees is represented by a labor union, and Symantec has experienced no work stoppages. Symantec believes that its employee relations are good.

Competition in recruiting personnel in the software industry is intense. Symantec believes that its future success will depend in part on its ability to recruit and retain highly skilled management, marketing and technical personnel.

14

ITEM 2:PROPERTIES.

Symantec's principal locations, all of which are leased, are as follows:

<TABLE>

LOCATION	PURPOSE	APPROXIMATE SIZE (IN SQUARE FEET)	EXPIRATION OF LEASE
-----	-----	-----	-----
<S>	<C>	<C>	<C>
NORTH AMERICA			
Cupertino, California	Administration, sales and marketing	87,000	1998
Corporate Headquarters			
Development Tools and Contact Management	Research and development	57,000	2000
Sunnyvale, California	Manufacturing	78,000	1998
Santa Monica, California	Research and development and marketing	81,000	2000
Santa Monica, California	Research and development	31,000	2000
Bedford, Massachusetts	Research and development and marketing	13,000	2000
Eugene, Oregon	Customer service and technical support	167,000	2000
Beaverton, Oregon	Research and development and marketing	51,000	1997
Huntington, New York	Research and development and marketing	11,000	2000
St. Louis, Missouri	Research and development	3,000	1996
Toronto, Canada	Research and development, marketing and technical support	74,000	2005
INTERNATIONAL			
Leiden, Holland	Administration, sales and marketing and technical support	15,000	1997
Dublin, Ireland	Administration, manufacturing and translations	44,000	2026

</TABLE>

Symantec's principal administrative and sales and marketing facility, as well as certain research and development and support facilities, are located in

Cupertino, California. The Company leases a number of additional facilities for marketing and research and development in the United States and for marketing in Europe, Australia, New Zealand, Singapore, Hong Kong, Japan and Canada. Symantec believes its facilities are adequate for its current needs and additional or substitute space will be available as needed to accommodate any expansion of its operations.

15

ITEM 3: LEGAL PROCEEDINGS.

Information with respect to this Item may be found in Note 11 of Notes to Consolidated Financial Statements in Part IV, Item 14 of this Form 10-K.

ITEM 4: SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

On approximately March 26, 1996, the Company's stockholders were sent a proxy statement requesting a vote on approval of the 1996 Equity Incentive Plan (the "Plan"). (See Note 8 of Notes to Consolidated Financial Statements in Part IV, Item 14 of this Form 10-K). The Plan was approved by the stockholders at a special meeting held at Symantec's headquarters on May 14, 1996. 20,950,968 shares were voted for approval of the Plan, 17,117,901 shares were voted against approval of the Plan, and 167,155 shares abstained from voting.

16

PART II

ITEM 5: MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Symantec's common stock has been traded on the Nasdaq National Market under the Nasdaq symbol "SYMC" since the Company's initial public offering on June 23, 1989. The high and low closing sales prices set forth below are as reported on the Nasdaq National Market.

<TABLE>
<CAPTION>

	Fiscal 1996				Fiscal 1995			
	Mar. 31, 1996	Dec. 31, 1995	Sep. 30, 1995	Jun. 30, 1995	Mar. 31, 1995	Dec. 31, 1994	Sep. 30, 1994	Jun. 30, 1994
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
High	\$22.63	\$29.38	\$33.00	\$29.50	\$23.75	\$19.00	\$16.13	\$16.88
Low	10.31	21.50	23.75	20.63	16.13	14.88	10.75	10.06

</TABLE>

Delrina exchangeable stock has been traded on the Toronto Stock Exchange under the symbol "DE" since the acquisition of Delrina by Symantec on November 22, 1995. The high and low closing sales prices set forth below are in Canadian dollars as reported on the Toronto Stock Exchange. Delrina exchangeable stock is exchangeable at the option of the stockholders on a one-for-one basis into Symantec common stock.

	Fiscal 1996	
	Mar. 31, 1996	Dec. 31, 1995
	(In Canadian dollars)	
High	\$31.00	\$37.25
Low	16.50	29.38

As of March 31, 1996, there were approximately 950 stockholders of record, including approximately 50 holders of record of Delrina exchangeable shares. The Company has never paid cash dividends on its stock with the exception of cash distributions to stockholders of acquired companies. Symantec anticipates that it will continue to retain its earnings to finance the growth of its business. In addition, the Company's bank line of credit and outstanding convertible subordinated debentures limit the payment of cash dividends on common stock (See Notes 4 and 5 of Notes to Consolidated Financial Statements in Part IV, Item 14 of this Form 10-K).

17

ITEM 6: SELECTED FINANCIAL DATA.

The following selected financial data is qualified in its entirety by and should be read in conjunction with the more detailed consolidated financial statements and related notes included elsewhere herein. During fiscal 1996, Symantec acquired Delrina Corporation ("Delrina") in a transaction accounted for as a pooling of interests. All financial information has been restated to reflect the combined operations of Symantec and Delrina. Additional acquisitions accounted for as poolings of interest include Intec Systems Corporation, Central Point Software, Inc. and SLR Systems, Inc. in fiscal 1995, Fifth Generation Systems, Inc. and Contact Software International, Inc. during fiscal 1994, Certus International Corporation, MultiScope, Inc., The Whitewater Group, Inc. and Symantec (UK) Ltd. during fiscal 1993, and Zortech Ltd., Dynamic Microprocessor Associates, Inc. and Leonard Development Group in fiscal 1992. The Company has never paid cash dividends on its stock with the exception of distributions to stockholders of acquired companies.

FIVE YEAR SUMMARY

<TABLE>
<CAPTION>

(In thousands, except net income (loss) per share)	Year Ended March 31,				
	1996	1995	1994	1993	1992
<S>	<C>	<C>	<C>	<C>	<C>
Statement of Operations Data:					
Net revenues	\$445,432	\$431,268	\$403,206	\$382,911	\$381,573
Acquisition, restructuring and other expenses	27,617	9,545	56,094	23,836	9,994
Operating income (loss)	(48,279)	40,286	(47,290)	(59,792)	37,695
Net income (loss)	(39,783)	33,409	(44,421)	(46,304)	24,543
Distributions to stockholders					
of acquired companies	--	--	--	162	1,986
Net income (loss) per share - primary	\$ (0.76)	\$ 0.65	\$ (0.96)	\$ (1.09)	\$ 0.58
Net income (loss) per share - fully diluted	\$ (0.76)	\$ 0.61	\$ (0.96)	\$ (1.09)	\$ 0.58
Shares used to compute net					
income (loss) per share - primary	52,664	52,181	46,270	42,624	42,242
Shares used to compute net					
come (loss) per share - fully diluted	52,664	56,491	46,270	42,624	42,432

(In thousands)	March 31,				
	1996	1995	1994	1993	1992
Balance Sheet Data:					
Working capital	\$134,643	\$143,405	\$101,644	\$100,075	\$ 84,016
Total assets	297,929	309,632	266,368	261,360	229,987
Long-term obligations, less					
current portion	15,393	25,413	25,967	28,152	4,866
Stockholders' equity	180,317	184,874	129,193	139,056	144,238

</TABLE>

ITEM 7: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

FORWARD-LOOKING STATEMENTS AND FACTORS THAT MAY EFFECT FUTURE RESULTS

The following discussion contains forward-looking statements that are subject to significant risks and uncertainties. There are several important factors that could cause actual results to differ materially from historical results and percentages and results anticipated by the forward-looking statements contained in the following discussion. Such factors and risks include, but are not limited to, competition in the application and enterprise software industry, including price and product feature competition, the introduction of new products by existing or new competitors, the economic environment, including government and corporate spending patterns, dependence on distributors and the emergence of new distribution channels, including the Internet, consumer acceptance of operating systems and the positioning of the Company's products in these markets, the timing and consumer acceptance of new or upgraded products, the ability to develop, market, support and acquire new products in an environment of rapidly changing technology and operating systems and the cost of such activities, acquisition risks, including increased costs and uncertain benefits and the ability to effectively integrate operations of acquired companies and manage growth, seasonality in the retail software market in Europe and risks associated with international operations, including currency conversion, taxes and other legal restrictions. The release and subsequent customer acceptance of current or upgraded versions of Windows 95 and Windows NT are particularly important events that increase the uncertainty and will likely increase the volatility

of Symantec's results over the next twelve months. In addition, the Company operates in a complex legal environment where, for example, an increasing number of patents are being issued that are potentially applicable to software, and allegations of patent infringement are becoming increasingly common in the software industry.

OVERVIEW

Symantec develops, markets and supports a diversified line of application and system software products designed to enhance individual and workgroup productivity as well as manage networked computing environments. Founded in 1982, the Company has offices in the United States, Canada, Asia, Australia, Europe and Latin America.

The Company's earnings and stock price have been and may continue to be subject to significant volatility, particularly on a quarterly basis. Symantec has previously experienced shortfalls in revenue and earnings from levels expected by securities analysts, which has had an immediate and significant adverse effect on the trading price of the Company's common stock. This may occur again in the future. Additionally, as a growing percentage of the Company's revenues are generated from network software products, which are frequently sold through site licenses that often occur late in the quarter, the Company may not learn of revenue shortfalls until late in the fiscal quarter, which could result in an even more immediate and adverse effect on the trading price of the Company's common stock.

Furthermore, the Company participates in a highly dynamic industry, which often results in significant volatility of the Company's common stock price. In particular, the impact of, and investors' assessment of the impact of, the market's acceptance and adoption rate of Microsoft's operating systems, Windows 95 and Windows NT, on Symantec's business may result in significant increases in the volatility of Symantec's stock price. In addition, the trend towards server-based applications in networks and over the Internet could have a material adverse effect on sales of the Company's desktop-based products which may not be offset by sales of the Company's network-based products.

During the last three fiscal years, Symantec has acquired the following companies:

<TABLE>
<CAPTION>

Companies Acquired	Date Acquired	Shares of Symantec Common Stock Issued	Acquired Company Stock Options Assumed
Delrina Corporation ("Delrina")	November 22, 1995	13,684,174*	1,271,677
Intec Systems Corporation ("Intec")	August 31, 1994	133,332	--
Central Point Software, Inc. ("Central Point")	June 1, 1994	4,029,429	707,452
SLR Systems, Inc. ("SLR")	May 31, 1994	170,093	--
Fifth Generation Systems, Inc. ("Fifth Generation")	October 4, 1993	2,769,010	--
Contact Software International, Inc. ("Contact")	June 2, 1993	2,404,019	232,589

</TABLE>

* Includes Delrina exchangeable stock that is traded on the Toronto Stock Exchange. Delrina stockholders received Delrina exchangeable stock in exchange for Delrina common stock at a rate of 0.61 per share. Delrina exchangeable stock may be converted into Symantec common stock on a one-for-one basis at each stockholder's option.

All of these acquisitions were accounted for as poolings of interest. Accordingly, all financial information has been restated to reflect the combined operations of these companies and Symantec with the exception of Intec and SLR, which had results of operations that were not material to Symantec's consolidated financial statements.

Symantec has completed a number of acquisitions and expects to acquire other companies in the future. While the Company believes that previous acquisitions were in the best interest of the Company and its stockholders, acquisitions involve a number of special risks, including the diversion of management's attention to assimilation of the operations and personnel of the acquired companies in an efficient and timely manner, the retention of key employees, the difficulty of presenting a unified corporate image, the coordination of research and development and sales efforts and the integration of the acquired products.

The Company has lost certain employees of acquired companies whom it desired

to retain, and, in some cases, the assimilation of the operations of acquired companies took longer than initially had been anticipated by the Company. In addition, because the employees of acquired companies have frequently remained in their existing, geographically diverse facilities, the Company has not realized certain economies of scale that might otherwise have been achieved.

Symantec typically incurs significant acquisition expenses for legal, accounting and financial advisory services, the write-off of duplicative technology and other expenses related to the combination of the companies. These expenses may have a significant adverse impact on the Company's future profitability and financial resources.

RESULTS OF OPERATIONS

The following table sets forth each item from the consolidated statements of operations as a percentage of net revenues and the percentage change in the total amount of each item for the periods indicated.

	Year Ended March 31,			Period-to-Period Percentage Increase (Decrease)	
	1996	1995	1994	1996 Compared to 1995	1995 Compared to 1994
	-----	-----	-----	-----	-----
Net revenues	100%	100%	100%	3%	7%
Cost of revenues	25	21	25	20	(11)
Gross margin.	75	79	75	(1)	13
Operating expenses:					
Research and development.	21	17	17	34	4
Sales and marketing	52	44	47	21	0
General and administrative.	7	7	9	12	(14)
Acquisition, restructuring and other non-recurring expenses	6	2	14	189	(83)
Total operating expenses.	86	70	87	28	(14)
Operating income (loss).	(11)	9	(12)	*	*
Interest income.	2	1	1	33	132
Interest expense	--	--	--	(38)	(4)
Other income (expense), net.	(1)	--	--	*	(39)
Income (loss) before income taxes.	(10)	10	(11)	*	*
Provision (benefit) for income taxes	(1)	2	--	*	*
Net income (loss).	(9)%	8%	(11)%	*	*

* percentage change is not meaningful.

NET REVENUES.

Net revenues increased 3% from \$431.3 million in fiscal 1995 to \$445.4 million in fiscal 1996. During fiscal 1996, the Company experienced increased net revenues from its Network/Communications Utilities and Security Utilities products, offset in part by decreased revenues from its Fax and Consumer/Productivity Application products. In addition, Symantec experienced an increase in net revenue from the introduction of several Windows 95 products; however, this increase was substantially offset by a decrease in net revenues related to Windows 3.1 and DOS products.

Net revenues for fiscal 1996 also include \$7.2 million of international net revenue previously deferred by Central Point. In March 1994, due to concerns regarding Central Point's long-term viability and the announced acquisition of Central Point by Symantec, Central Point was unable to reasonably estimate future product returns from its distributors and resellers. In addition, there were high levels of inventory in the distribution channel that had been shipped into the channel prior to the acquisition. Central Point believed that there was a high risk of this inventory being returned. In accordance with Statement of Financial Accounting Standards No. 48, Central Point revenue and the related cost of revenue for fiscal 1994 for software shipments to Central Point's distributors and resellers was deferred until sold by the distributors or resellers to end users. Since the acquisition, Symantec analyzed sell-through and product return information related to the Central Point products to determine when such products were sold-through. Symantec believes its sales and marketing programs were successful in selling the remaining deferred inventory to end users. Accordingly, in the quarter

ended June 30, 1995, Symantec was able to estimate the remaining Central Point product returns in the international distribution channel and, as a result, recognized

approximately \$7.2 million of international net revenues and \$1.7 million of international cost of revenues previously deferred by Central Point.

Net revenues increased 7% from \$403.2 million in fiscal 1994 to \$431.3 million in fiscal 1995. The increase in fiscal 1995 net revenues from the prior year was principally due to an increase in unit sales of Fax and Communications software products resulting from the release of new and upgraded products in these categories, as well as an increase in site license and distribution revenues, which was partially offset by a decrease in upgrade and OEM revenues. The increase in site license revenues during fiscal 1995 was primarily due to the release of several new network products which were generally sold through site licenses. The decrease in upgrade revenues was primarily due to several products which were intentionally not upgraded in anticipation of the release of products designed for the Windows 95 operating systems.

In fiscal 1994, the deferral of Central Point revenue discussed above resulted in a decrease in North American net revenues of approximately \$5.0 million and international net revenues of approximately \$10.0 million and an increase in the fiscal 1994 loss before provision for income taxes of approximately \$12.3 million. As a result of Symantec's further analysis of returns related to the Central Point products during fiscal 1995, in the March 1995 quarter Symantec was able to assess the remaining Central Point product returns in the North American distribution channel and, as a result, recognized approximately \$3.0 million of North American net revenues previously deferred by Central Point.

Net revenues from international sales grew from approximately \$116.4 million in fiscal 1994 to \$134.6 million in fiscal 1995 and to \$142.2 million in fiscal 1996 and represented 29%, 31% and 32% of net revenues, respectively. The increase in international net revenues from fiscal 1995 to fiscal 1996 resulted primarily from increased Delrina international net revenues and growth in Symantec's Asia/Pacific region, product upgrade sales of international versions of Symantec's Windows 95 products and recognition of the Central Point deferred revenue discussed above. The increase in international net revenues from fiscal 1994 to fiscal 1995 was largely due to the favorable impact of the change in foreign currency exchange rates during fiscal 1995.

Enhanced product releases typically result in an increase in net revenues during the first three to six months following their introduction due to purchases by existing users, usually at discounted prices, and initial inventory purchases by Symantec's distributors. In addition, between the date Symantec announces a new version or new product and the date of release, distributors, dealers and end users often delay purchases, cancel orders or return products in anticipation of the availability of the new version or new product.

The Company's pattern of revenues and earnings may also be affected by a phenomenon known as "channel fill." Channel fill occurs following the introduction of a new product or a new version of a product as distributors buy significant quantities of the new product or version in anticipation of sales of such product or version. Following such purchases, the rate of distributors' purchases often declines in a material amount, depending on the rates of purchases by end users or "sell-through." The phenomenon of channel fill may also occur in anticipation of price increases or in response to sales promotions or incentives, some of which may be designed to encourage customers to accelerate purchases that might otherwise occur in later periods. Channels may also become filled simply because the distributors are unable to, or do not, sell their inventories to retail distribution or end users as anticipated. If sell-through does not occur at a sufficient rate, distributors will delay purchases or cancel orders in later periods or return prior purchases in order to reduce their inventories. Such order delays or cancellations can cause material fluctuations in revenues from one quarter to the next. The impact is somewhat mitigated by the Company's deferral of revenue associated with inventories estimated to be in excess of levels deemed appropriate in the distribution channel; however, net revenues may still be materially affected favorably or adversely by the effects of channel fill. Channel fill did not have a material impact on the Company's revenues in fiscal 1996, 1995 or 1994 but may have a material impact in future periods, especially in periods where a large number of new products are introduced.

Symantec believes that many of its customers are moving toward an enterprise-wide computing environment where more desktop personal computers will be interconnected into large local-area and wide-area networks administered by corporate MIS departments as well as the Internet.

Symantec's entry into the enterprise software market is relatively new and, as a result, Symantec is beginning to compete with companies with which it has not previously competed. As a result, there is uncertainty regarding customer acceptance of the Company's products as Symantec has not been a major supplier in the enterprise market. These factors increase the uncertainty of forecasting

22

financial results. While the Company expects the market's shift toward enterprise and Internet products to continue, there can be no assurance that the Company's enterprise products will be successful or will gain customer acceptance.

With the expansion to enterprise-wide computing systems markets, Symantec believes that it must continue to develop relationships with systems integrators and other third-party vendors that provide consulting and integration services to customers and deliver products developed for this market segment. Furthermore, the sales cycle with respect to enterprise products is lengthy and may be subject to integration and acceptance by the customer. In addition, a very high proportion of enterprise product sales are completed in the last few days of each quarter, in part because customers are able, or believe that they are able, to negotiate lower prices and more favorable terms. Each of these factors increases the risk that forecasts of quarterly financial results will not be achieved.

Enterprise products are frequently sold through site licenses where a license for multiple workstations is sold to a customer at a negotiated price. Desktop software products are generally sold through the distribution channel or directly to end-users. Enterprise product revenues are typically comprised of lower volume, high dollar site license transactions compared to desktop product revenues which are typically comprised of higher volume, low dollar pre-packaged product transactions. The prices of site licenses tend to vary based upon the individual products purchased, the number of units licensed and the number of workstations at the customer's site.

Price competition is significant in the microcomputer business software market and may continue to increase and become even more significant in the future, resulting in reduced profit margins. Should competitive pressures in the industry continue to increase, Symantec may be required to reduce software prices and/or increase its spending on sales, marketing and research and development as a percentage of net revenues, resulting in lower profit margins. In addition, aggressive pricing strategies of competitors in other software markets, some of whom have significantly more financial resources than Symantec, may cause the Company to further reduce software prices and/or increase sales and marketing expenses on a number of the Company's products. There was no material impact to net revenues resulting from changes in product pricing in fiscal 1996, 1995 or 1994.

Approximately 37% of the Company's net revenues in fiscal 1996 were from sales to two large distributors. These customers tend to make the majority of their purchases at the end of the fiscal quarter, in part because they are able, or believe that they are able, to negotiate lower prices and more favorable terms. This end-of-period buying pattern means that forecasts of quarterly and annual financial results are particularly vulnerable to the risk that they will not be achieved, either because expected sales do not occur or because they occur at lower prices or on less favorable terms to the Company. The Company's distribution customers also carry the products of Symantec's competitors, some of which have greater financial resources than the Company. The distributors have limited capital to invest in inventory, and their decisions to purchase the Company's products is partly a function of pricing, terms and special promotions offered by Symantec as well as by its competitors over which the Company has no control and which it cannot predict.

While Symantec's diverse product line has tended to lessen fluctuations in quarterly net revenues, these fluctuations have occurred recently and are likely to occur in the future. These fluctuations may be caused by a number of factors, including the timing of announcements and releases of new or enhanced versions of its products and product upgrades, the introduction of competitive products by existing or new competitors, reduced demand for any given product, seasonality in the retail software market in Europe, the market's transition between operating systems and the transition from a desktop PC environment to an enterprise-wide environment. These factors may cause significant fluctuations in net revenues and, accordingly, operating results.

The Company is devoting substantial efforts to the development of software products that are designed to operate on Microsoft's Windows 95 and/or Windows NT operating systems. Microsoft has incorporated advanced utilities including telecommunications, facsimile and data recovery utilities in Windows 95 and may include additional product features in future releases of Windows 95 or Windows NT that may decrease the demand for certain of the

Company's products, including those currently under development. Should Windows 95 or Windows NT not achieve timely market acceptance, or should the Company be unable to successfully or timely develop products that operate under these operating systems, the Company's future net revenues and operating results would be immediately and significantly adversely affected. In addition, as the timing of delivery and adoption of many of Symantec's products is dependent on the adoption rate of these operating systems, which the Company and securities analysts are unable to predict, the ability of Symantec and securities analysts to forecast the Company's

23

net revenues has been and will continue to be adversely impacted. As a result, there is a heightened risk that net revenues and profits will not be in line with analysts' expectations in the periods following the introduction of or upgrades to Windows 95 and Windows NT.

The length of Symantec's product development cycle has generally been greater than Symantec originally expected. Although such delays have undoubtedly had a material adverse effect on Symantec's business, Symantec is not able to quantify the magnitude of net revenues that were deferred or lost as a result of any particular delay because Symantec is not able to predict the amount of net revenues that would have been obtained had the original development expectations been met. Delays in product development, including products being developed for Windows 95 or Windows NT, are likely to occur in the future and could have a material adverse effect on the amount and timing of future revenues. Due to the inherent uncertainties of software development projects, Symantec does not generally disclose or announce the specific expected shipment date of the Company's product introductions. In addition, there can be no assurance that any products currently being developed by Symantec, including products being developed for Windows 95 or Windows NT, will be technologically successful, that any resulting products will achieve market acceptance or that the Company's products will be effective in competing with products either currently in the market or introduced in the future.

During fiscal 1993, Symantec believes net revenues were adversely affected by an unexpected substantial price reduction in 486-based personal computers that caused a shift in customer spending from software to personal computer hardware. Symantec also believes that the shift was caused by the introduction of Windows 3.1, which required more computing capability. If the next class of personal computers, including those based on Intel's P6/Pentium Pro microprocessor or Motorola, Inc.'s Power PC, are also rapidly reduced in price, there may be another unexpected shift in customer buying away from software and Symantec's products, which could result in significantly reduced revenues and a material adverse effect on operating results. In addition, Windows 95 and Windows NT requires significantly more computer memory and hard disk space than Windows 3.1, and if there is a shift from software to hardware spending, there could be an adverse effect on the sales of computer hardware and software. Either of these events could result in significantly reduced net revenues and have a material adverse effect on Symantec's operating results. Symantec has noted that P6/Pentium Pro microprocessors have been reduced in price and are being marketed aggressively by Intel.

The Company estimates and maintains reserves for product returns. Symantec's return policy allows its distributors, subject to certain limitations, to return purchased products in exchange for new products or for credit towards future purchases. End users may return products through dealers and distributors within a reasonable period from the date of purchase for a full refund, and retailers may return older versions of products. Various distributors and resellers may have different return policies that may negatively impact the level of products which are returned to Symantec. Product returns occur when the Company introduces upgrades and new versions of products or when distributors order too much product. In addition, competitive factors often require the Company to offer rights of return for products that distributors or retail stores are unable to sell. Symantec has experienced, and may experience in the future, significant increases in product returns above historical levels from customers of acquired companies after an acquisition is completed. Symantec prepares detailed analyses of historical return rates when estimating anticipated returns and maintains reserves for product returns. In addition to detailed historical return rates, the Company's estimation of return reserves takes into consideration upcoming product upgrades, current market conditions, customer inventory balances and any other known factors that could impact anticipated returns. Based upon returns experienced, the Company's estimates have been materially accurate. The impact of actual returns on net revenues, net of such provisions, has not had a material effect on the Company's liquidity as the returns typically result in the issuance of credit towards future purchases as opposed to cash payments to the distributors. However, there can be no assurance that future returns will not exceed the reserves established by the Company or that future returns will not have a material adverse effect on the operating results of the Company.

The Company's product return reserve balances typically fluctuate from period to period based upon the level and timing of product upgrade releases. Product return reserve balances at March 31, 1996 were higher than reserve balances at March 31, 1995. The increase was primarily related to the introduction of Symantec's Windows 95 products during the last three quarters of fiscal 1996, which had high sell-in volumes. The level of actual product returns and related product return reserves is largely a factor of the level of product sell-in (gross revenue) from normal sales activity and the replacement of obsolete quantities with the current version of the Company's product. As a result, gross revenues generally move in the same direction as product returns. Changes in the levels of

24

product returns and related product return reserves are generally offset by changing levels of gross revenue and, therefore, do not typically have a material impact on reported net revenues.

The Company operates with relatively little backlog; therefore, if near-term demand for the Company's products weakens in a given quarter, there could be an immediate, material adverse effect on net revenues and on the Company's operating results.

Symantec maintains a research and development facility in Santa Monica, California that was damaged during the January 1994 earthquake in Southern California. Much of the Company's administration, sales and marketing, manufacturing and research and development facilities are located on the west coast of the United States. Future earthquakes or other natural disasters could cause a significant disruption to the Company's operations and may cause delays in product development that could adversely impact future revenues of the Company.

Also, Symantec's order entry department is located in Oregon, with shipments being made from a warehouse in California. Order entry and shipping is similarly separated in Europe. A disruption in communications between these facilities, particularly at the end of a fiscal quarter, would likely result in an unexpected shortfall in net revenues and could result in an adverse impact on operating results.

During the March 1994 quarter, Symantec introduced a new product support program that provides a wide variety of free and fee-based technical support services to its customers. Symantec provides its customers with free support via electronic and automated services as well as 90 days complimentary free telephone support for certain of the Company's products. In addition, Symantec offers both individual users and corporate customers a variety of fee-based support options for certain of the Company's products, designed to meet their individual technical support requirements. Fee-based technical support services did not generate significant revenues in fiscal 1996, 1995 and 1994, and are not expected to generate material revenues in the near future.

GROSS MARGIN.

Gross margin represents net revenues less cost of revenues. Cost of revenues consists primarily of manufacturing expenses, costs for producing manuals, packaging costs, royalties paid to third parties under publishing contracts and amortization and write-off of capitalized software. Amortization of capitalized software, including amortization and the write-off of both purchased product rights and capitalized software development expenses, totaled \$19.1 million, \$13.4 million and \$20.5 million for fiscal 1996, 1995 and 1994, respectively. The significant increase in amortization and write-off of purchased product rights and capitalized software development expenses in fiscal 1996 over fiscal 1995 was the result of Symantec's decision to de-emphasize its continued development and marketing efforts related to certain products as well as Delrina's write-off of previously capitalized software development costs of software designed to operate on Windows 3.1. The decrease in such costs in fiscal 1995 from fiscal 1994 was due to the write-off of certain previously capitalized software costs by Central Point during fiscal 1994.

Gross margins decreased to 75% of net revenues in fiscal 1996 from 79% in fiscal 1995 and remained level with 75% in fiscal 1994. The decline in the gross margin percentage in fiscal 1996 compared to fiscal 1995 was due to an increase in the amortization and write-off of purchased product rights and capitalized software development expenses noted above and increased reserves related to Delrina products designed to operate on Windows 3.1, as well as other products de-emphasized by Symantec during fiscal 1996. The increase in the gross margin percentage in fiscal 1995 compared to fiscal 1994 was largely due to the growth in higher margin enterprise products, which are typically sold through site licenses, as well as Symantec's ability to manufacture Central Point products with a lower cost structure than Central Point. Due to reduced amortization and write-off of purchased product

rights, Symantec believes that the gross margin percentage will increase to approximately 80% to 83% in Fiscal 1997 unless there is a significant change in Symantec's net revenues.

The microcomputer business software market has been subject to rapid changes that can be expected to continue. Future technology or market changes may cause certain products to become obsolete more quickly than expected and thus may result in capitalized software write-offs and an increase in required inventory reserves and, therefore, reduced gross margins and net income. In addition, the modifications to computer software, including the correction of software bugs, may result in significant inventory rework costs, including the cost of replacing inventory in the distribution channel.

25

RESEARCH AND DEVELOPMENT EXPENSES.

Research and development expenses increased 34% to \$94.7 million or 21% of net revenues in fiscal 1996 from \$70.7 million or 16% of net revenues in fiscal 1995 and was \$68.1 million or 17% of net revenues in fiscal 1994. The increase in research and development expenses in fiscal 1996 as compared to fiscal 1995 was primarily the result of increased product development efforts associated with Symantec's and Delrina's development of new Windows 95 products. The increase in research and development expenses in fiscal 1995 in absolute dollars as compared to fiscal 1994 was principally due to an increase in the number and scope of development projects undertaken by Delrina, including localization of products for international markets and new product development in anticipation of the launch of Windows 95, offset in part by savings from the consolidation of product development efforts resulting from the acquisition of Central Point.

Symantec believes increased research and development expenditures will be necessary in order to remain competitive. The Company expects research and development expenses to increase in dollar amount but may decline as a percentage of net revenues should net revenues increase more quickly than research and development expenses. While the Company believes its research and development expenditures will result in successful product introductions, including products being developed for Windows 95 and Windows NT, the uncertain outcome of software development projects means that increased research and development efforts will not necessarily result in successful product introductions due to technical difficulties, market conditions, competitive products and other factors, such as customer acceptance of new operating systems.

Research and development expenditures are charged to operations as incurred. Financial accounting rules requiring capitalization of certain software development costs have not materially affected the Company, except for amounts capitalized by Delrina prior to its acquisition by Symantec. Delrina did not capitalize any software development costs in fiscal 1996 and capitalized \$6.3 million and \$2.6 million in software development costs in fiscal years 1995 and 1994, respectively. The related amortization expense was \$5.6 million, \$4.0 million and \$1.9 million in fiscal 1996, 1995 and 1994, respectively.

SALES AND MARKETING EXPENSES.

Sales and marketing expenses increased 21% to \$229.7 million or 52% of net revenues in fiscal 1996 from \$190.4 million or 44% of net revenues in fiscal 1995 and from \$190.0 million or 47% of net revenues in fiscal 1994. The increase in sales and marketing expenses in fiscal 1996 as compared to fiscal 1995 was principally due to an increase in marketing development expenses and an increase in sales and marketing expenses primarily associated with the release of Symantec's Windows 95 products. The decrease in fiscal 1995 as a percent of net revenues as compared to fiscal 1994 was principally due to the elimination of duplicative sales organizations subsequent to the acquisition of Central Point, offset in part by increased sales and marketing expenses associated with Delrina's expansion in Europe.

Symantec believes substantial sales and marketing efforts are essential to achieve revenue growth and to maintain and enhance Symantec's competitive position. Accordingly, with the introduction of new and upgraded products, including products currently being developed for Windows 95 and Windows NT, Symantec expects the expenses associated with these efforts to increase in dollar amount and to continue to constitute its most significant operating expense. There can be no assurance that these increased sales and marketing efforts will be successful. Symantec believes that the Company's sales and marketing expenses may decrease as a percentage of net revenues in the near term following the high expenses associated with the launch of Windows 95 products but may increase as a percentage of net revenues should net revenues not increase.

GENERAL AND ADMINISTRATIVE EXPENSES.

In fiscal 1996, general and administrative expenses increased in absolute dollars by 12% to \$32.7 million or 7% of net revenues from \$29.4 million or 7% of net revenues in fiscal 1995, and decreased from \$34.3 million or 9% of net revenues in fiscal 1994. The increase in general and administrative expenses in absolute dollars in fiscal 1996 as compared to fiscal 1995 was principally due to significant general and administrative expenses incurred by Delrina in the three month period ended September 30, 1995, as well as certain legal fees incurred by Delrina. In the fourth quarter of fiscal 1996, general and administrative expenses decreased to 5% of net revenues from 8% in the fourth quarter of fiscal 1995. This decrease resulted primarily from the elimination of duplicative general and administrative functions subsequent to the acquisition of Delrina. The decrease in fiscal 1995 as compared to fiscal 1994 was principally due to benefits resulting from the consolidation of the general and administrative functions of

26

Symantec and Central Point. Subsequent to the acquisition of Central Point by Symantec in fiscal 1995, various duplicative general and administrative functions were eliminated as a result of the combination of the companies. In addition, general and administrative expenses decreased due to the settlement of two class action lawsuits in fiscal 1994 resulting in a decrease in legal expenses during fiscal 1995.

While future growth of the Company is expected to result in an increase in the dollar amount of general and administrative spending from current levels, the Company expects general and administrative expenses to decrease as a percent of net revenues in fiscal 1997 as compared to fiscal 1996 as benefits are achieved from the elimination of duplicative functions subsequent to the acquisition of Delrina.

ACQUISITION, RESTRUCTURING AND OTHER EXPENSES.

ACQUISITION EXPENSES. In connection with the various acquisitions completed in fiscal 1996, 1995 and 1994 (see Summary of Significant Accounting Policies and Note 10 of Notes to Consolidated Financial Statements), significant acquisition expenses were incurred. These acquisition expenses principally included fees for legal, accounting and financial advisory services, the write-off of duplicative capitalized technology, the modification of certain development contracts and expenses related to the combination of the companies, including the elimination of duplicative and excess facilities and personnel. These charges approximated \$19.7 million, \$9.5 million and \$25.9 million in fiscal 1996, 1995 and 1994, respectively.

In connection with the acquisition of Delrina in fiscal 1996, Symantec recorded total acquisition charges of \$22.0 million, which included \$8.8 million for legal, accounting and financial advisory services, \$6.4 million for the elimination of duplicative and excess facilities and equipment, \$3.7 million for personnel severance and outplacement expenses and \$3.1 million for the consolidation and discontinuance of certain operational activities and other acquisition-related expenses.

In connection with the acquisitions of Central Point and SLR, Symantec recorded total acquisition charges of \$9.5 million in fiscal 1995. The charges included \$3.2 million for legal, accounting and financial advisory services, \$1.0 million for the write-off of duplicative product-related expenses and modification of certain development contracts, \$0.9 million for the elimination of duplicative and excess facilities, \$3.1 million for personnel severance and outplacement expenses and \$1.3 million for the consolidation and discontinuance of certain operational activities and other acquisition-related expenses. During fiscal 1996, the Company recognized a reduction in accrued acquisition, restructuring and other expenses of \$2.3 million as actual costs incurred were less than costs previously accrued by the Company.

Symantec has completed a number of acquisitions and expects to acquire other companies in the future. While the Company believes that previous acquisitions were in the best interest of the Company and its stockholders, acquisitions involve a number of special risks, including the diversion of management's attention to assimilation of the operations and personnel of the acquired companies in an efficient and timely manner, the retention of key employees, the difficulty of presenting a unified corporate image, the coordination of research and development and sales efforts and the integration of the acquired products.

The Company has lost certain employees of acquired companies whom it desired to retain, and, in some cases, the assimilation of the operations of acquired companies took longer than initially had been anticipated by the Company. In addition, because the employees of acquired companies have frequently remained in their existing, geographically diverse facilities, the Company has not realized certain economies of scale that might otherwise have been achieved.

Symantec typically incurs significant acquisition expenses for legal, accounting and financial advisory services, the write-off of duplicative technology and other expenses related to the combination of the companies. These expenses may have a significant adverse impact on the Company's future profitability and financial resources.

RESTRUCTURING EXPENSES. In February 1995, Symantec announced a plan to consolidate certain research and development activities. This plan was designed to gain greater synergy between the Company's Third Generation Language and Fourth Generation Language development groups. During fiscal 1996, the Company completed the combination and incurred \$2.2 million for the relocation costs of moving equipment and personnel.

During fiscal 1994, Symantec implemented a plan to consolidate and centralize certain operational activities (See Note 10 of Notes to Consolidated Financial Statements). This plan was designed to reduce operating expenses and enhance operational efficiencies by centralizing certain order administration, technical support and customer service

27

activities in Eugene, Oregon. In fiscal 1994, the Company recorded a charge of \$4.7 million, which included \$1.1 million for the elimination of duplicative and excess facilities, \$1.5 million for the relocation of the Company's existing operations and equipment, \$1.1 million for employee relocation expenses and \$1.0 million for employee severance payments. This centralization has been completed.

During fiscal 1994, Central Point incurred \$16.0 million of expenses related to the restructuring of its operations in order to reduce its overall cost structure and to redirect its software development and marketing efforts away from the personal desktop computer market toward personal computer network markets. The charge included \$6.2 million for employee severance, outplacement and relocation expenses, \$5.6 million for the write-off of certain excess fixed and intangible assets, \$1.8 million for lease abandonments and facility relocation and \$2.4 million for the consolidation and discontinuance of certain operational activities and other related expenses. This restructuring has been completed.

OTHER EXPENSES. In fiscal 1996, Symantec sold the assets of Time Line Solutions Corporation, a wholly-owned subsidiary, to a group comprised of Time Line Solutions Corporation's management and incurred a \$2.7 million loss on the sale. In the fourth quarter of fiscal 1996, the Company recorded \$2.0 million in estimated legal fees expected to be incurred in connection with a securities class action complaint filed in March 1996 and other legal expenses (See Note 11 of Notes to Consolidated Financial Statements).

During fiscal 1994, Symantec reached an agreement with the plaintiffs and Symantec's insurance carriers to settle two securities class actions and a related derivative lawsuit brought by stockholders of Symantec (See Note 10 of Notes to Consolidated Financial Statements). The combined settlement amount of the cases was \$19.0 million, approximately \$12.5 million of which was paid by Symantec's insurance carriers. Symantec recorded a charge in fiscal 1994 of \$6.5 million, representing Symantec's portion of the settlement.

In fiscal 1994, Central Point purchased from unrelated parties certain in-process software technologies for \$3.0 million which was immediately expensed. (See Note 10 of Notes to Consolidated Financial Statements).

Symantec is involved in a number of other judicial and administrative proceedings incidental to its business (See Note 11 of Notes to Consolidated Financial Statements). The Company intends to defend all of these lawsuits vigorously and, although an unfavorable outcome could occur in one or more of the cases, the final resolution of these lawsuits, individually or in the aggregate, is not expected to have a material adverse effect on the financial position of the Company. However, depending on the amount and timing of an unfavorable resolution of these lawsuits, it is possible that the Company's future results of operations or cash flows could be materially adversely effected in a particular period.

As of March 31, 1996, total accrued cash related acquisition and restructuring expenses were \$7.8 million and included \$2.0 million for legal fees, \$3.5 million for the elimination of duplicative and excess facilities and \$2.3 million for the consolidation and discontinuance of certain operational activities and other acquisition-related expenses.

INTEREST INCOME, INTEREST EXPENSE AND OTHER INCOME (EXPENSE).

Interest income was \$7.5 million, \$5.6 million and \$2.4 million in fiscal 1996, 1995 and 1994, respectively. The increase in interest income in fiscal 1996 over fiscal 1995, and in fiscal 1995 over fiscal 1994 was due to higher average invested cash balances. Interest expense was \$1.5 million, \$2.4

million and \$2.5 million in fiscal 1996, 1995 and 1994, respectively. The decrease in interest expense in fiscal 1996 from fiscal 1995 and 1994 was principally due to reduced interest expense on convertible subordinated debentures that were issued on April 2, 1993. On April 26, 1995, convertible subordinated debentures totaling \$10.0 million were converted into 833,333 shares of Symantec common stock, resulting in the decrease in fiscal 1996 interest expense. Other income (expense) is primarily comprised of foreign currency exchange gains and losses from fluctuations in currency exchange rates.

The Company conducts business in various foreign currencies and is therefore subject to the transaction exposures that arise from foreign exchange rate movements between the dates that foreign currency transactions are recorded and the dates that they are settled. Symantec utilizes some natural hedging to mitigate the Company's transaction exposures and, effective December 31, 1993, the Company commenced hedging some residual transaction exposures through the use of one-month forward contracts. At March 31, 1996, there was a total of approximately \$96.5 million of outstanding forward exchange contracts. The net liability of forward contracts was approximately

28

\$85.5 million at March 31, 1996. There have been no significant gains or losses to date with respect to these activities. Gains or losses would occur on forward contracts held by the Company when changes in foreign currency exchange rates occur. These gains and losses should be largely offset by the transaction gains and losses resulting from foreign currency denominated cash, accounts receivable, intercompany balances and trade payables. There can be no assurance that these strategies will continue to be effective or that transaction gains or losses can be minimized or forecasted accurately. The Company does not hedge its translation risk.

INCOME TAXES.

The effective income tax benefit for fiscal 1996 was 10%, which compares to an effective income tax provision of 25% in fiscal 1995 and an effective tax benefit of 3% in fiscal 1994. The 1996 income tax benefit of 10% is lower than the statutory rate primarily due to the unbenefitted losses related to the Delrina acquisition.

A net deferred tax asset of approximately \$12.8 million is reflected in the financial statements. Approximately \$35.0 million of future U.S. taxable income will be necessary to realize this deferred tax asset. While there can be no assurance that future income will be sufficient to realize this benefit, management is of the opinion that this benefit will be realized in the near future based on projected income from new and existing products. A valuation allowance of \$45.7 million was provided in the financial statements. Approximately \$19.7 million of the valuation allowance for deferred tax assets is attributable to stock option deductions, the benefit of which will be credited to equity when realized. Approximately \$18.1 million of the valuation allowance relates to losses and temporary differences associated with Delrina and the remaining \$7.9 million of the valuation allowance represents net operating loss and tax credit carryforwards of other acquired companies that are limited by separate return limitations and under the "change of ownership" rules of Internal Revenue Code Section 382.

LIQUIDITY AND CAPITAL RESOURCES

Cash and short-term investments decreased \$2.6 million from \$131.8 million at March 31, 1995 to \$129.2 million at March 31, 1996. This decrease was largely due to cash expenditures for capital equipment, which was partially offset by cash provided from operating activities and proceeds from the exercise of stock options. Net cash provided by operating activities was \$11.0 million and was primarily due to the change in net assets and liabilities and non-cash related expenses, offset in part by the Company's net loss of \$39.8 million.

Trade accounts receivable decreased \$9.0 million from \$81.3 million at March 31, 1995 to \$72.3 million at March 31, 1996 primarily due to an increase in reserves for product returns at March 31, 1996.

The Company has a \$10.0 million line of credit that expires in March 1998. The line of credit is available for general corporate purposes and bears interest at the bank's reference (prime) interest rate (8.25% at March 31, 1996), the U.S. offshore rate plus 1.25%, a CD rate plus 1.25% or LIBOR plus 1.25%, at the Company's discretion. The line of credit requires bank approval for the payment of cash dividends. Borrowings under this line are unsecured and are subject to the Company maintaining certain financial ratios and profits. At March 31, 1996, there was approximately \$ 0.4 million of outstanding standby letters of credit under this line of credit. There were no borrowings outstanding under this line at March 31, 1996. The Company was in compliance with the debt covenants at March 31, 1996. Future acquisitions by the Company may cause the Company to be in violation of the line of credit

covenants; however, the Company believes that if the line of credit were canceled or amounts were not available under the line, there would not be a material adverse impact on the financial results, liquidity or capital resources of the Company.

The Company may utilize significant amounts of cash in connection with the potential acquisition of additional companies, capital equipment and software product rights in the future. However, if the Company were to sustain significant losses, there can be no assurance that the bank line of credit, which is available through March 1998, would remain available. Additionally, the Company could be required to reduce operating expenses, which could result in further product delays, reassess acquisition opportunities, which could negatively impact the Company's growth objectives, and/or pursue further financing options. The Company believes existing cash and short-term investments will be sufficient to fund operations for the next year.

29

ITEM 8: FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

ANNUAL FINANCIAL STATEMENTS. See Part IV, Item 14 of this Form 10-K.

SELECTED QUARTERLY DATA. During fiscal 1996, Symantec acquired Delrina in a transaction accounted for as a pooling of interest. All financial information has been restated to reflect the combined operations of Symantec and Delrina.

<TABLE>
<CAPTION>

(In thousands, except net income (loss) per share; unaudited)

	Fiscal 1996				Fiscal 1995			
	Mar. 31, 1996	Dec. 31, 1995	Sep. 30, 1995	Jun. 30, 1995	Mar. 31, 1995	Dec. 31, 1994	Sep. 30, 1994	Jun. 30, 1994
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net revenues	\$115,960	\$111,097	\$108,510	\$109,865	\$108,304	\$110,561	\$106,841	\$105,562
Gross margin	95,363	80,027	73,420	87,647	86,318	87,544	84,156	82,315
Acquisition, restructuring and other expenses *	2,000	25,688	--	(71)	--	--	--	9,545
Net income (loss)	7,943	(36,806)	(17,786)	6,866	5,585	11,767	12,938	3,119
Net income (loss) per share - primary	\$0.15	\$(0.69)	\$(0.34)	\$ 0.13	\$0.10	\$0.23	\$0.26	\$0.06
fully diluted	\$0.15	\$(0.69)	\$(0.34)	\$ 0.12	\$0.10	\$0.21	\$0.23	\$0.06

</TABLE>

*See Note 10 of Notes to Consolidated Financial Statements.

ITEM 9: CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not Applicable.

30

PART III

ITEM 10: DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Information required by this Item with respect to Directors may be found in the section captioned "Election of Symantec Directors" appearing in the definitive Proxy Statement to be delivered to stockholders in connection with the Annual Meeting of Stockholders to be held on September 25, 1996. Such information is incorporated herein by reference.

EXECUTIVE OFFICERS OF THE REGISTRANT:

The executive officers of the Company are as follows:

NAME	AGE	POSITION
Gordon E. Eubanks, Jr.	49	President and Chief Executive Officer
Robert R. B. Dykes	46	Executive Vice President, Worldwide Operations and Chief Financial Officer
John C. Laing	45	Executive Vice President, Desktop Products

Dennis Bennie	43	Executive Vice President, Communications Products
Mark Bailey	37	Senior Vice President, Business Development
Ted Schlein	32	Vice President, Networking and Client/Server Technology Group
Dana E. Siebert	36	Vice President, Worldwide Sales
Christopher Calisi	36	Vice President, Communication Products
Derek Witte	39	Vice President, General Counsel and Secretary

Executive officers are chosen by and serve at the discretion of the Board of Directors. There is no family relationship between any director or executive officer of Symantec and any other director or executive officer of Symantec.

GORDON E. EUBANKS, JR. is the President and Chief Executive Officer of Symantec. He has served as a director of Symantec since November 1983 and as the President and Chief Executive Officer of Symantec since October 1986. Mr. Eubanks also served as Symantec's Chairman of the Board from November 1983 to October 1986 and from November 1990 to January 1993. Previously, Mr. Eubanks was Vice President of Digital Research, Inc.'s commercial systems division where he was responsible for the development and marketing of all system software products. He left Digital Research, Inc. in September 1983. Mr. Eubanks founded Compiler Systems, Inc. and authored its products: CBASIC, one of the first successful languages on personal computers, and CB80, a compiled version of CBASIC. Compiler Systems, Inc. was acquired by Digital Research, Inc. in August of 1981. Mr. Eubanks received his Bachelor of Science degree in Electrical Engineering from Oklahoma State University. He received his Masters degree in Computer Science from Naval Postgraduate School in Monterey, California. Mr. Eubanks was a commissioned officer in the United States Navy from 1970 to 1979 serving in the Nuclear Submarine Force. Mr. Eubanks is also a director of NetFrame and RasterOps Corporation. He is a member of the IEEE and ACM.

On February 26, 1993, criminal indictments were filed against Mr. Eubanks for allegedly violating various California Penal Code Sections relating to the misappropriation of trade secrets and unauthorized access to a computer system. Symantec believes that the charges have no merit.

ROBERT R. B. DYKES is Executive Vice President, Worldwide Operations and Chief Financial Officer of Symantec. Mr. Dykes joined Symantec in October 1988. From April 1984 to October 1988, Mr. Dykes was the Chief Financial Officer at Adept Technology, Inc., a robotics firm where he oversaw all financial procedures and reporting and developed venture capital and funding strategies. From July 1983 to April 1984, Mr. Dykes was with Xebec, a publicly held Winchester disk drive controller manufacturer, most recently as Chief Financial Officer. Prior to Xebec, Mr. Dykes spent 12 years in various financial positions at Ford Motor Company in New Zealand and Australia and with its Finance Staff in Dearborn, Michigan, most recently as manager of the marketing budgets

31

for the Ford and Lincoln Mercury car divisions. Mr. Dykes holds a Bachelor of Commerce and Administration degree from Victoria University in Wellington, New Zealand. Mr. Dykes is on the board of directors of Flextronics International, Ltd.

JOHN C. LAING is Executive Vice President, Desktop Products of Symantec. Prior to serving in this position, Mr. Laing served as Executive Vice President, Worldwide Sales of Symantec. Mr. Laing joined Symantec in March 1989 as Vice President/Sales. Before joining Symantec, Mr. Laing served as Regional Director for Apple Computer, Inc. ("Apple"), a microcomputer manufacturer, in the Midwest. In that position his responsibilities included managing Apple's sales, marketing and support activities within Illinois, Wisconsin and Northern Indiana. Prior to joining Apple in July 1986, Mr. Laing served as Vice President and General Manager at ECZEL Corporation, a division of Crown Zellerbach Corporation. Mr. Laing spent the majority of his earlier career at Xerox Corporation, where he served in a variety of sales and sales management positions over a ten-year period. Mr. Laing is a director of Macromedia, Inc., a multimedia software developer, and the Software Publishers Association.

DENNIS BENNIE was Executive Vice President, Communications Products of Symantec and served as a Director of Symantec from November 1995 until April 1996. Mr. Bennie co-founded Delrina and served as Chairman of the Board of Directors and Chief Executive Officer of Delrina from June 1988 until November 1995. He oversaw all international expansion and financial activities. Prior to joining Delrina, Mr. Bennie co-founded and served as President of Ingram Software Ltd., one of Canada's largest software distributors, from 1984 to 1988.

MARK BAILEY is Senior Vice President, Business Development of Symantec. Mr. Bailey has led Symantec's mergers and acquisitions effort since December 1989. Prior to that, Mr. Bailey was an associate partner with one of the early investors in Symantec, Kleiner Perkins Caufield & Byers. Before

attending graduate school, Mr. Bailey worked at Hewlett Packard. Mr. Bailey received a Bachelor of Science degree cum laude in electrical engineering and computer science from Princeton University and an MBA from Harvard University's Graduate School of Business Administration.

TED SCHLEIN is Vice President, Networking and Client/Server Technology Group of Symantec. Prior to serving in this position, Mr. Schlein was Vice President and General Manager, Client/Server Technology Group. Mr. Schlein has been an employee of Symantec since June 1986, and during that time, he has served in a variety of management positions including Vice President, European Business Development; Vice President, Data Management Group; and Director, Utilities Group. Mr. Schlein holds a Bachelor of Science degree in economics from the University of Pennsylvania.

DANA E. SIEBERT is Vice President, Worldwide Sales of Symantec. Previously, Mr. Siebert served as Vice President, Worldwide Services at Symantec. Mr. Siebert joined Symantec in September 1987. From 1985 to 1987, Mr. Siebert was a Sales Manager at THINK Technologies where he was responsible for U.S. corporate, OEM and international sales. Previously, Mr. Siebert held a number of sales management positions in high technology companies including Wang Laboratories, Computerland Corporation and Burroughs Corporation. Mr. Siebert holds a Bachelor of Science degree in business administration from the University of New Hampshire and is a member of the Software Publishers Association.

CHRISTOPHER CALISI is Vice President, Communication Products of Symantec. From 1992 to 1996, Mr. Calisi held several positions within Symantec's Remote Access Business Unit, including Development Manager, Director of Development and, most recently, General Manager. Mr. Calisi joined Symantec in 1992 from Unify Corporation, a relational database and 4GL tools vendor where he served as the Manager of Sales Engineers. Prior to Unify Corporation, Mr. Calisi held development positions with several relational database vendors, including Britton Lee, Oracle and Computer Associates. Mr. Calisi holds a Bachelor of Science degree from the State University of New York at Empire State and has received executive training at the Wharton School. Mr. Calisi holds several copyrights for software innovations from 1981 through 1986 and is an associate of the IEEE Committee. Mr. Calisi became an executive officer of Symantec in May 1996.

DEREK WITTE is Vice President, General Counsel and Secretary of Symantec. Mr. Witte joined Symantec in October 1990. From October 1987 until joining Symantec, Mr. Witte was Associate General Counsel and later Director of Legal Services for Claris Corporation, a software subsidiary of Apple. Between January and October 1987, Mr. Witte was Assistant General Counsel at Worlds of Wonder, Inc. Previously, Mr. Witte practiced law with the San

32

Francisco-based law firms of Brobeck, Phleger & Harrison and Heller Ehrman White and McAuliffe during the periods between 1981 and 1983 and 1983 and 1987, respectively. Mr. Witte holds a law degree and a Bachelor of Arts degree in Economics from the University of California at Berkeley. Mr. Witte has been a member of the California bar since 1981.

33

ITEM 11:EXECUTIVE COMPENSATION.

Information with respect to this Item may be found in the section captioned "Executive Compensation" appearing in the definitive Proxy Statement to be delivered to stockholders in connection with the Annual Meeting of Stockholders to be held on September 25, 1996. Such information is incorporated herein by reference.

ITEM 12:SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Information with respect to this Item may be found in the section captioned "Security Ownership of Certain Beneficial Owners and Management" appearing in the definitive Proxy Statement to be delivered to stockholders in connection with the Annual Meeting of Stockholders to be held on September 25, 1996. Such information is incorporated herein by reference.

ITEM 13:CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Information with respect to this Item may be found in the section captioned "Executive Compensation - Certain Transactions" appearing in the definitive Proxy Statement to be delivered to stockholders in connection with the Annual Meeting of Stockholders to be held on September 25, 1996. Such information is incorporated herein by reference.

PART IV

ITEM 14:EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

Upon written request, the Company will provide, without charge, a copy of the Company's annual report on Form 10-K, including the consolidated financial statements, financial statement schedules and any exhibits for the Company's most recent fiscal year. All requests should be sent to:

Lori A. Barker
Investor Relations
Symantec Corporation
10201 Torre Avenue
Cupertino, California 95014-2132
408-446-8990

(a) The following documents are filed as part of this report:

	PAGE NUMBER

1. CONSOLIDATED FINANCIAL STATEMENTS.	
Report of Ernst & Young LLP, Independent Auditors.	40
Report of Price Waterhouse, Independent Auditors	41
Consolidated Balance Sheets as of March 31, 1996 and 1995. . .	42
Consolidated Statements of Operations for the Years Ended	
March 31, 1996, 1995 and 1994	43
Consolidated Statements of Stockholders' Equity for the Years	
Ended March 31, 1996, 1995 and 1994	44
Consolidated Statements of Cash Flow for the Years Ended	
March 31, 1996, 1995 and 1994	45
Summary of Significant Accounting Policies and Notes to	
Consolidated Financial Statements.	46
2. FINANCIAL STATEMENT SCHEDULES. The following financial statement schedule of Symantec Corporation for the years ended March 31, 1996, 1995 and 1994 is filed as part of this Form 10-K and should be read in conjunction with the Consolidated Financial Statements of Symantec Corporation.	
SCHEDULE	
II - Valuation and Qualifying Accounts	61
Schedules other than that listed above have been omitted since they are either not required, not applicable, or the information is otherwise included.	
3. EXHIBITS. The following exhibits are filed as part of, or incorporated by reference into, this Form 10-K:	
3.01 The Registrant's Restated Certificate of Incorporation. (Incorporated by reference to Annex G filed with the Registrant's Joint Management Information Circular and Proxy Statement (No. 000-17781) dated October 17, 1995.)	
3.02 The Registrant's Bylaws, as currently in effect. (Incorporated by reference to Exhibit 3.02 filed with the Registrant's Registration Statement on Form S-1 (No. 33-28655) originally filed May 19, 1989, and amendment No. 1 thereto filed June 21, 1989, which Registration Statement became effective June 22, 1989.)	
4.01 Registration Rights Agreement. (Incorporated by reference to Exhibit 4.02 filed with the Registrant's Registration Statement on Form S-4 (No. 33-35385) initially filed June 13, 1990.)	
4.02 Amendment No. One to Registration Rights Agreement (Incorporated by reference to Exhibit 4.03 filed with the Registrant's Annual Report on Form 10-K for the year ended April 2, 1993.)	

35

4.03 Amendment No. Two to Registration Rights Agreement (Incorporated by reference to Exhibit 4.04 filed with the Registrant's Annual Report on Form 10-K for the year ended April 2, 1993.)	
4.04 Plan of Arrangement and Exchangeable Share Provisions related to the acquisition of Delrina. (Incorporated by reference to Annex D filed with the Registrant's Joint Management Information Circular and Proxy Statement dated October 17, 1995.)	

- 4.05 Support Agreement dated July 5, 1995 between Symantec and Delrina.
(Incorporated by reference to Annex E filed with the Registrant's
Joint Management Information Circular and Proxy Statement dated
October 17, 1995.)
- 4.06 Form of Voting and Exchange Trust Agreement dated July 5, 1996 between
Symantec and Delrina. (Incorporated by reference to Annex F filed
with the Registrant's Joint Management Information Circular and
Proxy Statement dated October 17, 1995.)
- 10.01 Amended Agreement Respecting Certain Rights of Publicity. (Incorporated
by reference to Exhibit 10.04 filed with the Registrant's
Registration Statement on Form S-4 (No. 33-35385) initially filed
June 13, 1990.)
- 10.02 Non-Competition and Non-Solicitation Agreement between Registrant and
Peter Norton and Ronald Posner. (Incorporated by reference to
Exhibit 10.06 filed with the Registrant's Registration Statement
on Form S-4 (No. 33-35385) initially filed June 13, 1990.)
- 10.03* 1988 Employees Stock Option Plan, as amended to date. (Incorporated by
reference to Exhibit 4.02 filed with the Registrant's Registration
Statement on Form S-8 (No. 33-88694) filed January 23, 1995.)
- 10.04* 1989 Employee Stock Purchase Plan, as amended to date. (Incorporated
by reference to Exhibit 4.01 filed with the Registrant's
Registration Statement on Form S-8 (No.33-88694) filed January 23,
1995.)
- 10.05* Form of Stock Option Agreement and Form of Stock Option Exercise
Request, as currently in effect, under the Registrant's 1988
Employees Stock Option Plan. (Incorporated by reference to Exhibit
10.10 filed with the Registrant's Registration Statement on Form
S-4 (No. 33-35385) initially filed June 13, 1990.)
- 10.06* 1988 Directors Stock Option Plan, as amended to date. (Incorporated
by reference to Exhibit 10.09 filed with the Registrant's Annual
Report on Form 10-K for the year ended April 2, 1993.)
- 10.07* 1993 Directors Stock Option Plan, as amended. (Incorporated by
reference to Exhibit 10.07 filed with the Registrant's Quarterly
Report on Form 10-Q for the quarter ended September 30, 1994)
- 10.08* Form of Stock Option Grant and Stock Option Exercise Notice and
Agreement under the Registrant's 1988 Directors Stock Option Plan.
(Incorporated by reference to Exhibit 10.12 filed with the
Registrant's Registration Statement on Form S-4 (No.33-35385)
initially filed June 13, 1990.)
- 10.09* 1994 Patent Incentive Plan. (Incorporated by reference to Exhibit
4.01 filed with the Registrant's Registration Statement on Form S-8
(No. 33-60141) filed June 9, 1995.)
- 10.10* 1996 Equity Incentive Plan. (Incorporated by reference to Exhibit A
filed with the Registrant's Proxy Statement dated March 26, 1996.)
- 10.11 Office building lease dated as of August 1, 1991, between Lincoln Town
Center and Symantec Corporation regarding property located in
Cupertino, California. (Incorporated by reference to Exhibit 10.11
filed with the Registrant's Annual Report on Form 10-K for the year
ended April 2, 1993.)
- 10.12 Addendum No. 4 to Office Building Lease By and Between Lincoln Property
Company N.C., Inc. and Symantec Corporation Dated August 1, 1991.
(Incorporated by reference to Exhibit 10.13 filed with the
Registrant's Quarterly Report on Form 10-Q for the quarter ended
December 31, 1993.)
- 10.13 Office building lease dated as of April 10, 1991, between the Registrant
and Maguire Thomas Partners Colorado Place regarding property
located in Santa Monica, California. (Incorporated by reference to
Exhibit 10.25 filed with the Registrant's Annual Report on Form
10-K for the year ended March 31, 1991.)

*Indicates a management contract or compensatory plan or arrangement.

- 10.14 Office building lease dated as of February 27, 1991, between the
Registrant and Kim Camp No. VII regarding property located in
Sunnyvale, California. (Incorporated by reference to Exhibit 10.26

- 10.15 Office building lease dated as of April 19, 1995, between the Registrant and CIGNA Property and Casualty Insurance Company regarding property located in Cupertino, California. (Incorporated by reference to Exhibit 10.16 filed with the Registrant's Annual Report on Form 10-K for the year ended March 31, 1995.)
- 10.16 Office building lease, as amended, dated as of December 1, 1995 between Delrina (Canada) Corporation and Sherway Centre Limited regarding property located in Toronto, Canada. (Incorporated by reference to Exhibit 10.01 filed with the Registrants Quarterly Report on Form 10-Q for the quarter ended December 29, 1995.)
- 10.17 Form of Indemnity Agreement with Officers and Directors. (Incorporated by reference to Exhibit 10.17 filed with the Registrant's Registration Statement on Form S-1 (No.33-28655) originally filed May 19, 1989, and amendment No. 1 thereto filed June 21, 1989, which Registration Statement became effective June 22, 1989.)
- 10.18* Full Recourse Promissory Note and Pledge Agreement between the Company and Gordon E. Eubanks, Jr. (Incorporated by reference to Exhibit 10.19 filed with the Registrant's Annual Report on Form 10-K for the year ended April 2, 1993.)
- 10.19* Form of Promissory Note and Pledge Agreement between the Company and certain executives. (Incorporated by reference to Exhibit 10.20 filed with the Registrant's Annual Report on Form 10-K for the year ended April 2, 1993.)
- 10.20* Form of Housing Assistance Agreement between the Company and certain executives. (Incorporated by reference to Exhibit 10.26 filed with the Registrant's Registration Statement on Form S-4 (No. 33-35385) initially filed June 13, 1990.)
- 10.21 Agreement and Plan of Reorganization between Symantec Acquisition Corp. and Fifth Generation Systems, Inc. dated August 30, 1993 and related Agreement of Merger. (Incorporated by reference to Exhibit 2.01 filed with the Registrant's Current Report on Form 8-K filed October 19, 1993.)
- 10.22 Agreement and Plan of Reorganization by and among Symantec Corporation, Symantec Acquisition Corp. and Central Point Software, Inc. dated March 31, 1994. (Incorporated by reference to Exhibit 10.27 filed with the Registrant's Annual Report on Form 10-K for the year ended April 1, 1994.)
- 10.23 Agreement of Purchase and Sale of Assets among DataEase International, Inc., DataEase Sapphire International Group, N.V. and Symantec Corporation dated September 2, 1993. (Incorporated by reference to Exhibit 10.31 filed with the Registrant's Quarterly Report of Form 10-Q for the quarter ended December 31, 1993.) (Confidential treatment has been granted with respect to portions of this exhibit.)
- 10.24 Note Purchase Agreement, dated April 2, 1993, among Symantec Corporation, Morgan Guaranty Trust Company of New York, as Trustee, J. P. Morgan Investments Management, Inc., as Investment Manager and The Northwestern Mutual Life Insurance Company, including Form of Convertible Subordinated Notes. (Incorporated by reference to Exhibit 10.30 filed with the Registrant's Annual Report on Form 10-K for the year ended April 2, 1993.)
- 10.25* The Registrant's Section 401(k) Plan, as amended. (Incorporated by reference to Exhibit 10.25 filed with the Registrants Annual Report on Form 10-K for the year ended March 31, 1995.)
- 10.26* Form of Executive Compensation Agreement between the Company and certain executives. (Incorporated by reference to Exhibit 10.25 filed with the Registrants Annual Report on Form 10-K for the year ended March 31, 1995.)
- 10.27 Assignment of Copyright and Other Intellectual Property Rights. (Incorporated by reference to appendix to Prospectus/Proxy Statement filed with the Registrant's Registration Statement on Form S-4 (No. 33-35385) initially filed June 13, 1990.)

*Indicates a management contract or compensatory plan or arrangement.

- 10.28* Employment and Consulting Agreement among Symantec Corporation, Symantec Acquisition Corp. and Charles M. Boesenberg. (Incorporated by reference to Exhibit 10.32 filed with the Registrant's Annual Report of Form 10-K for the year ended April 1, 1994.) (Confidential treatment has been granted with respect to portions of this exhibit.)
- 10.29* Stock Option Grant between the Company and Charles Boesenberg. (Incorporated by reference to Exhibit 10.29 filed with the Registrants Annual Report on Form 10-K for the year ended March 31, 1995.)
- 10.30 Authorized Distributor Agreement between Symantec Corporation and Ingram Micro, Inc. (Incorporated by reference to Exhibit 10.34 filed with the Registrant's Quarterly Report of Form 10-Q for the quarter ended July 1, 1994.) (Confidential treatment has been granted with respect to portions of this exhibit.)
- 10.31 Authorized Distributor Agreement between Symantec Corporation and Merisel Americas, Inc. (Incorporated by reference to Exhibit 10.35 filed with the Registrant's Quarterly Report of Form 10-Q for the quarter ended July 1, 1994.) (Confidential treatment has been granted with respect to portions of this exhibit.)
- 10.32 Stipulation of Settlement in the case of Aynl J. Scheatzle, et al. vs. Gordon E. Eubanks, Jr., et al. and Symantec Corporation. (Incorporated by reference to Exhibit 10.36 filed with the Registrant's Quarterly Report of Form 10-Q for the quarter ended July 1, 1994.)
- 10.33* Employment and Non-competition Agreement between Symantec Corporation and Dennis Bennie. (Incorporated by reference to Exhibit 10.02 filed with the Registrants Quarterly Report on Form 10-Q for the quarter ended December 29, 1995.)
- 10.34 Combination Agreement between Symantec Corporation and Delrina Corporation dated July 5, 1995. (Incorporated by reference to Exhibit 10.01 filed with the Registrants Quarterly Report on Form 10-Q for the quarter ended June 30, 1995.)
- 10.35 Class action complaint filed by the law firm of Milberg Weiss Bershad Hynes & Lerach in Superior Court of the State of California, County of Santa Clara against the Company and several of its current and former officers and directors.

- 11.01 Computation of Net Income (Loss) Per Share.
- 21.01 Subsidiaries of the Registrant.
- 23.01 Consent of Ernst & Young LLP, Independent Auditors.
- 23.02 Consent of Price Waterhouse, Independent Auditors.
- 27.01 Financial Data Schedule.

(b) Reports on Form 8-K
None

(c) Exhibits:
The Registrant hereby files as part of this Form 10-K the exhibits listed in Item 14(a)3, as set forth above.

(d) Financial Statement Schedules:
The Registrant hereby files as part of this Form 10-K the schedule listed in Item 14(a)2, as set forth on page 61.

*Indicates a management contract or compensatory plan or arrangement.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Report of Ernst & Young LLP, Independent Auditors.	40
Report of Price Waterhouse, Independent Auditors	41
Consolidated Balance Sheets as of March 31, 1996 and 1995.	42
Consolidated Statements of Operations for the years ended	

March 31, 1996, 1995 and 1994.	43
Consolidated Statements of Stockholders' Equity for the years ended March 31, 1996, 1995 and 1994.	44
Consolidated Statements of Cash Flow for the years ended March 31, 1996, 1995 and 1994.	45
Summary of Significant Accounting Policies	46
Notes to Consolidated Financial Statements	49

REPORT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

The Board of Directors and Stockholders
Symantec Corporation

We have audited the accompanying consolidated balance sheets of Symantec Corporation as of March 31, 1996 and 1995, and the related consolidated statements of operations, stockholders' equity and cash flows for each of the three years in the period ended March 31, 1996. Our audits also included the financial statement schedule listed in the Index at Item 14(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and schedule based on our audits. We did not audit the financial statements or schedule of Delrina Corporation, which statements reflect total assets and net income constituting 29% and 14%, respectively, of the related 1995 consolidated financial statement totals, and which statements reflect net income of approximately \$12.7 million related to the 1994 consolidated net loss. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to data included for Delrina Corporation, is based solely on the report of the other auditors.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Symantec Corporation at March 31, 1996 and 1995, and the consolidated results of its operations and its cash flows for each of the three years in the period ended March 31, 1996, in conformity with generally accepted accounting principles. Also, in our opinion, based upon our audits and the report of other auditors, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

ERNST & YOUNG LLP

San Jose, California
April 24, 1996

INDEPENDENT AUDITORS' REPORT

August 8, 1995

Auditors' Report

To the Shareholders of Delrina Corporation

We have audited the consolidated balance sheet of Delrina Corporation as at June 30, 1995 and the consolidated statements of operations, retained earnings (deficit) and changes in financial position for the years ended June 30, 1995 and 1994, all expressed in Canadian dollars. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable

assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Delrina Corporation as at June 30, 1995 and the results of its operations and the changes in its financial position for the years ended June 30, 1995 and 1994 in accordance with generally accepted accounting principles in Canada.

PRICE WATERHOUSE
Chartered Accountants

41

SYMANTEC CORPORATION
CONSOLIDATED BALANCE SHEETS
<TABLE>
<CAPTION>

	March 31,	
(In thousands)	1996	1995
ASSETS		

<S>	<C>	<C>
Current assets:		
Cash and short-term investments	\$129,199	\$131,795
Trade accounts receivable	72,256	81,261
Inventories	7,893	9,433
Deferred income taxes	12,875	11,869
Other	14,639	8,392
	-----	-----
Total current assets	236,862	242,750
Equipment and leasehold improvements	51,698	39,379
Purchased intangibles	518	11,122
Other	8,851	16,381
	-----	-----
	\$297,929	\$309,632
	-----	-----
LIABILITIES AND STOCKHOLDERS' EQUITY		

Current liabilities:		
Accounts payable	\$ 23,368	\$ 25,394
Accrued compensation and benefits	14,888	13,482
Other accrued expenses	60,566	57,939
Income taxes payable	3,329	2,006
Current portion of long-term obligations	68	524
	-----	-----
Total current liabilities	102,219	99,345
Convertible subordinated debentures	15,000	25,000
Long-term obligations	393	413
Commitments and contingencies		
Stockholders' equity:		
Preferred stock (authorized: 1,000; issued and outstanding: none)	--	--
Common stock (authorized: 100,000; issued and outstanding: 53,636 and 50,782 shares)	536	508
Capital in excess of par value	279,508	248,766
Notes receivable from stockholders	(144)	(144)
Cumulative translation adjustment	(7,591)	(7,213)
Accumulated deficit	(91,992)	(57,043)
	-----	-----
Total stockholders' equity	180,317	184,874
	-----	-----
	\$297,929	\$309,632
	-----	-----

</TABLE>

The accompanying Summary of Significant Accounting Policies and Notes to Consolidated Financial Statements are an integral part of these statements.

42

SYMANTEC CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

(In thousands, except net income (loss) per share)	Year Ended March 31,		
	1996	1995	1994
<S>	<C>	<C>	<C>
Net revenues	\$ 445,432	\$431,268	\$403,206
Cost of revenues	108,975	90,935	102,018
Gross margin	336,457	340,333	301,188
Operating expenses:			
Research and development	94,672	70,706	68,110
Sales and marketing	229,703	190,439	189,962
General and administrative	32,744	29,357	34,312
Acquisition, restructuring and other expenses	27,617	9,545	56,094
Total operating expenses	384,736	300,047	348,478
Operating income (loss)	(48,279)	40,286	(47,290)
Interest income	7,512	5,648	2,436
Interest expense	(1,495)	(2,419)	(2,517)
Other income (expense), net	(2,130)	1,041	1,697
Income (loss) before income taxes	(44,392)	44,556	(45,674)
Provision (benefit) for income taxes	(4,609)	11,147	(1,253)
Net income (loss)	\$ (39,783)	\$ 33,409	\$ (44,421)
Net income (loss) per share - primary	\$ (0.76)	\$ 0.65	\$ (0.96)
Net income (loss) per share - fully diluted	\$ (0.76)	\$ 0.61	\$ (0.96)
Shares used to compute net income (loss) per share - primary	52,664	52,181	46,270
Shares used to compute net income (loss) per share - fully diluted	52,664	56,491	46,270

</TABLE>

The accompanying Summary of Significant Accounting Policies and Notes to Consolidated Financial Statements are an integral part of these statements.

43

SYMANTEC CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

<TABLE>
<CAPTION>

(In thousands)	Common Stock	Capital in Excess of Par Value	Notes Receivable from Stockholders	Cumulative Translation Adjustment	Total Accumulated Deficit	Stockholders' Equity
						<C>
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balances, March 31, 1993	\$449	\$170,783	\$ (350)	\$ (3,587)	\$ (28,238)	\$139,057
Net loss	--	--	--	--	(44,421)	(44,421)
Fifth Generation net loss for the quarter ended March 31, 1993	--	--	--	--	(16,390)	(16,390)
XTree net loss for the six months ended March 31, 1993	--	--	--	--	(1,040)	(1,040)
Issued 915 shares in connection with Delrina's initial public offering	9	30,035	--	--	--	30,044
Issued common stock:						
2,235 shares under stock plans and other	22	15,646	--	--	--	15,668

391 shares for acquisition of product rights	4	6,496	--	--	--	6,500
Repayments on notes	--	--	201	--	--	201
Other equity transactions of acquired companies	--	3,041	--	--	--	3,041
Translation adjustment	--	--	--	(3,467)	--	(3,467)
	----	-----	-----	-----	-----	-----
Balances, March 31, 1994	484	226,001	(149)	(7,054)	(90,089)	129,193
Net income	--	--	--	--	33,409	33,409
Acquisition of Intec and SLR:						
Issued 303 shares of common stock	3	38	--	--	--	41
Accumulated deficit	--	--	--	--	(363)	(363)
Issued common stock:						
2,147 shares under stock plans and other	21	21,351	--	--	--	21,372
Repayments on notes	--	--	5	--	--	5
Issued 57 shares to acquire subsidiary	--	1,376	--	--	--	1,376
Translation adjustment	--	--	--	(159)	--	(159)
	----	-----	-----	-----	-----	-----
Balances, March 31, 1995	508	248,766	(144)	(7,213)	(57,043)	184,874
Net loss	--	--	--	--	(39,783)	(39,783)
Delrina net loss for the quarter ended June 30, 1995	--	--	--	--	4,834	4,834
Issued common stock:						
2,021 shares under stock plans and other	20	21,101	--	--	--	21,121
833 shares from conversion of convertible debentures	8	9,641	--	--	--	9,649
Translation adjustment	--	--	--	(378)	--	(378)
	----	-----	-----	-----	-----	-----
Balances, March 31, 1996	\$536	\$279,508	\$(144)	\$(7,591)	\$(91,992)	\$180,317
	----	-----	-----	-----	-----	-----

</TABLE>

The accompanying Summary of Significant Accounting Policies and Notes to Consolidated Financial Statements are an integral part of these statements.

SYMANTEC CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOW

<TABLE>
<CAPTION>

(In thousands)	Year Ended March 31,		
	1996	1995	1994
<S>	<C>	<C>	<C>
OPERATING ACTIVITIES:			
Net income (loss)	\$ (39,783)	\$ 33,409	\$ (44,421)
Delrina net loss for the quarter ended June 30, 1995	4,834	--	--
Fifth Generation net loss for the quarter ended March 31, 1993	--	--	(16,390)
XTree net loss for the six months ended March 31, 1993	--	--	(1,040)
Acquired companies' net assets	--	(1,677)	--
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization of equipment and leasehold improvements	19,717	15,689	16,293
Amortization and write-off of capitalized software costs	19,141	13,360	20,539
Write-off of equipment and leasehold improvements	3,403	1,539	4,403
Deferred income taxes	(989)	7,267	832
Net change in assets and liabilities:			
Trade accounts receivable	8,053	(14,686)	(6,605)
Inventories	1,450	1,308	(3,155)
Other current assets	(6,419)	3,980	10,201
Other assets	(821)	(7,698)	(3,345)
Accounts payable	(2,368)	(11,224)	(663)
Accrued compensation and benefits	1,313	(1,042)	3,649
Accrued other expenses	2,256	(2,098)	28,700
Income taxes payable	1,211	78	(2,089)
Net cash provided by operating activities	10,998	38,205	6,909
INVESTING ACTIVITIES:			
Capital expenditures	(35,767)	(24,749)	(13,700)

Purchased intangibles	(461)	(4,293)	(4,419)
Purchases of short-term, available-for-sale investments	(154,500)	(166,524)	(102,045)
Maturities of short-term, available-for-sale investments	168,681	122,736	46,732
Sales of fixed assets and other	--	(1,505)	125
	-----	-----	-----
Net cash used in investing activities	(22,047)	(74,335)	(73,307)
	-----	-----	-----
FINANCING ACTIVITIES:			
Principal payments on long-term obligations	(475)	(889)	(12,459)
Net proceeds from sales of common stock and other	20,770	21,395	47,969
	-----	-----	-----
Net cash provided by financing activities	20,295	20,506	35,510
	-----	-----	-----
Effect of exchange rate fluctuations on cash and cash equivalents	2,339	(2,263)	(2,094)
Increase (decrease) in cash and cash equivalents	11,585	(17,887)	(32,982)
Beginning cash and cash equivalents	30,192	48,079	81,061
	-----	-----	-----
Ending cash and cash equivalents	\$ 41,777	\$ 30,192	\$ 48,079
	-----	-----	-----
	-----	-----	-----
SUPPLEMENTAL CASH FLOW DISCLOSURES:			
Income taxes paid (net of refunds) during the year	\$ 906	\$ (759)	\$ (3,612)
Interest paid on convertible subordinated debentures and long-term obligations	\$ 1,299	\$ 2,070	\$ 1,891

</TABLE>

The accompanying Summary of Significant Accounting Policies and Notes to Consolidated Financial Statements are an integral part of these statements.

45

SYMANTEC CORPORATION
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

BUSINESS

Symantec develops, markets and supports a diversified line of application and system software products designed to enhance individual and workgroup productivity as well as manage networked computing environments. Principal products include advanced utilities, security utilities, network/communications utilities, fax, contact management, development tools and consumer/productivity applications. Customers consist primarily of corporations, higher education institutions, government agencies and individual users, which are mainly located in North America, Europe, Asia/Pacific and Latin America.

PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of Symantec Corporation and its wholly-owned subsidiaries ("Symantec" or the "Company"). All significant intercompany accounts and transactions have been eliminated.

BASIS OF PRESENTATION

During fiscal 1996, 1995 and 1994, Symantec acquired various companies in transactions accounted for as poolings of interest. Accordingly, all financial information has been restated to reflect the combined operations of Symantec and the acquired companies with the exception of Intec Systems Corporation and SLR Systems, Inc. The results of operations of Intec and SLR were not material to Symantec's consolidated financial statements, and therefore, amounts prior to the year of acquisition were not combined with Symantec's financial statements.

Symantec has a 52/53-week fiscal accounting year. Accordingly, all references as of and for the periods ended March 31, 1996, 1995 and 1994 reflect amounts as of and for the periods ended March 29, 1996, March 31, 1995 and April 1, 1994, respectively.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

FOREIGN CURRENCY TRANSLATION

In general, the functional currency of the Company's foreign subsidiaries is the

local currency. Assets and liabilities denominated in foreign currencies are translated using the exchange rate on the balance sheet dates. The cumulative translation adjustments resulting from this process are shown separately as a component of stockholders' equity. Revenues and expenses are translated using average exchange rates prevailing during the year. Foreign currency transaction gains and losses are not material and are included in the determination of net income (loss).

REVENUE RECOGNITION

Symantec recognizes revenue upon shipment when no significant vendor obligations remain and collection of the receivable, net of provisions for estimated future returns, is probable. Prior to fiscal 1994, Central Point generally recognized revenue upon shipment, along with a provision for estimated returns. Due to significant changes in the market's perception of Central Point's long-term viability and the Agreement and Plan of Reorganization signed by Symantec and Central Point in fiscal 1994, Central Point was no longer able to reasonably estimate future returns from distributors and resellers. In accordance with Statement of Financial Accounting Standards No. 48, revenue and the related cost of revenue for 1994 for software shipments to these distributors and resellers was deferred until sold by the distributor or reseller to the end user. This revenue and cost of revenue deferral resulted in a decrease in North American net revenues of approximately \$5.0 million and international net revenues of approximately \$10.0 million and an increase in the fiscal 1994 loss before provision for income taxes of approximately \$12.3 million. Symantec later analyzed returns related to the Central Point products for the prior eight quarters to determine when such products were being sold through to end users. As the result of this analysis of the remaining Central Point products in the distribution channel, Symantec recognized approximately \$3.0 million of North American net revenues in the March 1995 quarter and \$7.2 million of international net revenues in the June 1995 quarter that had been previously deferred by Central Point.

Revenues related to significant post-contract support agreements (generally product maintenance agreements) are deferred and recognized over the period of the agreements. The estimated cost of providing insignificant post-

46

SYMANTEC CORPORATION SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

contract support (generally telephone support) is accrued at the time of the sale and is included in sales and marketing expense. Technical support costs included in sales and marketing expense were \$34.5 million, \$28.0 million and \$26.8 million in fiscal 1996, 1995 and 1994, respectively.

CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

Symantec considers investments in highly liquid instruments purchased with an original maturity of 90 days or less to be cash equivalents. All of the Company's cash equivalents and short-term investments, consisting principally of commercial paper, corporate notes and certificates of deposit, are classified as available-for-sale as of the balance sheet date. These securities are reported at amortized cost, which approximates fair value, and therefore, there are no unrealized gains and losses included in stockholders' equity. Realized gains and losses and declines in value judged to be other-than-temporary are included in interest income. The cost of securities sold is based upon the specific identification method.

INVENTORIES

Inventories are valued at the lower of cost or market. Cost is principally determined using currently adjusted standards, which approximate actual cost on a first-in, first-out basis.

EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Equipment and leasehold improvements are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization is provided on a straight-line basis over the estimated useful lives of the respective assets, generally the shorter of the lease term or three to seven years.

PURCHASED INTANGIBLES

Purchased intangibles are comprised of acquired software ("product rights") and are stated at cost less accumulated amortization. Amortization is provided on the greater of the straight-line basis over the estimated useful lives of the respective assets, generally three to five years, or on the basis of the ratio of current revenues to current revenues plus anticipated future revenues.

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenditures are charged to operations as incurred. Financial accounting rules requiring capitalization of certain software development costs have not materially affected the Company, except for amounts capitalized by Delrina prior to its acquisition by Symantec. Delrina did not capitalize any software development costs in fiscal 1996 and capitalized \$6.3 million and \$2.6 million in software development costs in fiscal years 1995 and 1994, respectively. The related amortization expense was \$5.6 million, \$4.0 million and \$1.9 million in fiscal 1996, 1995 and 1994, respectively.

INCOME TAXES

Income taxes are computed in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes."

NET INCOME (LOSS) PER SHARE

Net income (loss) per share is calculated using the treasury stock or the modified treasury stock method, as applicable, if dilutive. Common stock equivalents are attributable to outstanding stock options. Fully diluted earnings per share includes the assumed conversion of all of the outstanding convertible subordinated debentures.

CONCENTRATIONS OF CREDIT RISK

The Company's product revenues are concentrated in the personal computer software industry, which is highly competitive and rapidly changing. Significant technological changes in the industry or customer requirements, or the emergence of competitive products with new capabilities or technologies, could adversely affect operating results. In addition, a significant portion of the Company's revenue and net income is derived from international sales and independent agents and distributors. Fluctuations of the U.S. dollar against foreign currencies, changes in local regulatory or economic conditions, piracy or nonperformance by independent agents or distributors could adversely affect operating results.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of short-term investments and trade accounts receivable. The Company's investment portfolio is diversified and

47

SYMANTEC CORPORATION SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

consists of investment grade A-1/P-1 securities. The credit risk in the Company's trade accounts receivable is substantially mitigated by the Company's credit evaluation process, reasonably short collection terms and the geographical dispersion of sales transactions.

ADVERTISING

Advertising expenditures are charged to operations as incurred except for certain direct mail campaigns which are capitalized and amortized over the expected period of benefit or twelve months, whichever is shorter. Capitalized advertising costs have not been material in all periods presented. Advertising expense for fiscal 1996, 1995 and 1994 was approximately \$43.0 million, \$41.0 million and \$38.6 million, respectively.

RECENT PRONOUNCEMENTS

During March 1995, the Financial Accounting Standards Board issued Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" ("SFAS No. 121"), which requires the review for impairment of long-lived assets, certain identifiable intangibles and goodwill related to those assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In certain situations, an impairment loss would be recognized. The Company does not believe that adoption of SFAS No. 121, which will become effective for the Company's 1997 fiscal year, will have a material impact on its financial condition or operating results.

During October 1995, the Financial Accounting Standards Board issued Statement No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"). This standard, which establishes a fair value-based method for stock-based compensation plans, also permits an election to continue following the requirements of APB Opinion No. 25, "Accounting for Stock Issued to Employees," with disclosures of pro-forma net income and earnings per share under the new method. The Company will continue following the requirements of APB Opinion No. 25, with disclosure of pro-forma information. The disclosure requirements of SFAS No. 123 will be effective for the Company's 1997 fiscal year.

RECLASSIFICATIONS

Certain previously reported amounts have been reclassified to conform to the current presentation format.

SYMANTEC CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. BALANCE SHEET INFORMATION

<TABLE>
<CAPTION>

	March 31,	
(In thousands)	1996	1995

CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS:		
<S>	<C>	<C>
Cash	\$ 20,176	\$ 19,745
Cash equivalents	21,601	10,447
Short-term investments	87,422	101,603
	-----	-----
	\$ 129,199	\$ 131,795
	-----	-----
TRADE ACCOUNTS RECEIVABLE:		
Receivables	\$ 77,272	\$ 86,113
Less: allowance for doubtful accounts	(5,016)	(4,852)
	-----	-----
	\$ 72,256	\$ 81,261
	-----	-----
INVENTORIES:		
Raw materials	\$ 1,969	\$ 3,715
Finished goods	5,924	5,718
	-----	-----
	\$ 7,893	\$ 9,433
	-----	-----
EQUIPMENT AND LEASEHOLD IMPROVEMENTS:		
Computer equipment	\$ 79,153	\$ 59,818
Office furniture and equipment	25,753	23,614
Leasehold improvements	12,603	9,609
	-----	-----
	117,509	93,041
Less: accumulated depreciation and amortization	(65,811)	(53,662)
	-----	-----
	\$ 51,698	\$ 39,379
	-----	-----
PURCHASED INTANGIBLES:		
Product rights	\$ 8,680	\$ 49,439
Less: accumulated amortization	(8,162)	(38,317)
	-----	-----
	\$ 518	\$ 11,122
	-----	-----
OTHER ACCRUED EXPENSES:		
Acquisition and restructuring expenses	\$ 7,833	\$ 8,614
Deferred revenue	26,266	22,892
Marketing development funds	11,412	8,719
Other	15,055	17,714
	-----	-----
	\$ 60,566	\$ 57,939
	-----	-----

</TABLE>

SYMANTEC CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 2. BUSINESS COMBINATIONS AND PURCHASED PRODUCT RIGHTS

During the three fiscal years ended March 31, 1996, Symantec completed acquisitions of the following companies:

<TABLE>
<CAPTION>

Companies Acquired	Date Acquired	Shares of Symantec Common Stock Issued	Acquired Company Stock Options Assumed
<S>	<C>	<C>	
Delrina Corporation ("Delrina")	November 22, 1995	13,684,174*	1,271,677
Intec Systems Corporation ("Intec")	August 31, 1994	133,332	--
Central Point Software, Inc. ("Central Point")	June 1, 1994	4,029,429	707,452
SLR Systems, Inc. ("SLR")	May 31, 1994	170,093	--
Fifth Generation Systems, Inc. ("Fifth Generation")	October 4, 1993	2,769,010	--
Contact Software International, Inc. ("Contact")	June 2, 1993	2,404,019	232,589

* Includes Delrina exchangeable stock that is traded on the Toronto Stock Exchange. Delrina stockholders received Delrina exchangeable stock in exchange for Delrina common shares at a rate of 0.61 per share. Delrina exchangeable stock may be converted at any time into Symantec common stock on a one-for-one basis at each stockholder's option.

All of these acquisitions were accounted for as poolings of interest. In connection with the acquisitions of the companies listed above, Symantec incurred significant acquisition expenses (See Note 10). Due to differing year ends of Symantec, Delrina and Fifth Generation, financial information for dissimilar fiscal year ends was combined. Delrina's fiscal years ended June 30, 1995 and 1994 were combined with Symantec's fiscal years ended March 31, 1995 and 1994, respectively. Accordingly, Delrina's results of operations for the quarter ended June 30, 1995 were duplicated in the combined statements of operations for fiscal 1996 and 1995 and Delrina's net loss for the quarter ended June 30, 1995 was credited to stockholder's equity. Delrina reported net revenues of \$19.8 million and net loss of \$4.8 million in the quarter ended June 30, 1995. Fifth Generation's fiscal year ended December 31, 1992 was combined with Symantec's fiscal year ended March 31, 1993. Accordingly, Fifth Generation's results of operations for the quarter ended March 31, 1993 were charged to stockholders' equity. Fifth Generation's net loss of \$16.4 million for the quarter ended March 31, 1993 was largely due to the decline in net revenues to \$1.9 million and the write-off of previously capitalized software costs.

50

SYMANTEC CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

The table below sets forth the composition of combined net revenues and net income (loss) for the pre-acquisition periods indicated. Information for the year ended March 31, 1996 with respect to Delrina reflects the period ended November 22, 1995, the date Delrina was acquired.

<TABLE>
<CAPTION>

(IN THOUSANDS)	Year Ended March 31,		
	1996	1995	1994
<S>	<C>	<C>	<C>
Net revenues:			
Symantec	\$ 420,013	\$ 334,867	\$ 328,299
Delrina	25,419	96,401	74,907
	\$ 445,432	\$ 431,268	\$ 403,206
Net income (loss):			
Symantec	\$ (4,291)	\$ 28,500	\$ (56,967)
Delrina	(35,492)	4,909	12,546
	\$ (39,783)	\$ 33,409	\$ (44,421)

</TABLE>

On December 31, 1993, Symantec acquired certain technology for developing an architecture and tools to build client-server applications from DataEase

International, Inc. in exchange for 391,456 shares of Symantec common stock and cancellation of the principal and accrued interest on a \$1.0 million outstanding note receivable. The Company capitalized approximately \$7.7 million of purchased product rights as a result of this transaction. During fiscal 1996 the Company wrote off the remaining unamortized cost and licensed the product rights for an immaterial amount.

NOTE 3. CASH EQUIVALENTS, SHORT-TERM INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS

All cash equivalents and short-term investments have been classified as available-for-sale securities and are reported at amortized cost, which approximates fair value, and therefore, no material unrealized gains and losses have been included in stockholders' equity. As of March 31, 1996 and 1995, the estimated fair value of these securities consisted of the following:

<TABLE>
<CAPTION>

(In thousands)	1996	1995
-----	-----	-----
<S>	<C>	<C>
Taxable commercial paper	\$ 77,392	\$ 99,566
Money market funds	21,601	7,452
Taxable corporate notes	5,022	--
Taxable certificates of deposit	5,008	--
Auction-rate preferred securities	--	5,032
	-----	-----
	\$ 109,023	\$ 112,050
	-----	-----
	-----	-----

</TABLE>

All of the Company's available-for-sale securities as of March 31, 1996 have a contractual maturity of one year or less. For the year ended March 31, 1996, there were no material sales of available-for-sale securities. Fair values of cash, cash equivalents and short-term investments approximate cost due to the short period to maturity.

Symantec utilizes some natural hedging to mitigate the Company's transaction exposures, and effective December 31, 1993, the Company commenced hedging some residual transaction exposures through the use of one-month foreign exchange forward contracts. The Company enters into foreign exchange forward contracts with financial institutions primarily to protect against currency exchange risks associated with certain firmly committed transactions. Fair value of foreign exchange forward contracts are based on quoted market prices. At March 31, 1996, there was a total notional amount of approximately \$96.5 million of outstanding foreign exchange forward contracts all of which mature in 35 days or less. The net liability of forward contracts was a notional amount of approximately \$85.5 million at March 31, 1996. The fair value of foreign currency exchange forward contracts approximates cost due to the short maturity periods and the minimal fluctuations in foreign currency exchange rate. The Company does not hedge its translation risk.

SYMANTEC CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 4. CONVERTIBLE SUBORDINATED DEBENTURES

On April 2, 1993, the Company issued convertible subordinated debentures totaling \$25.0 million. The debentures bear interest at 7.75% payable semiannually and are convertible into Symantec common stock at \$12 per share at the option of the investor. The debentures are due in three equal annual installments beginning in 1999 and are redeemable at the option of the investors in the event of a change in control of Symantec or the sale of all or substantially all of the assets of the Company. Symantec, at its option, may redeem the notes at any time on 30 to 60 days notice. The holders are entitled to certain registration rights relating to the shares of common stock resulting from the conversion of the debentures. The Company reserved 2,083,333 shares of common stock to be issued upon conversion of these debentures. The debentures limit the payment of cash dividends and the repurchase of capital stock to a total of \$10.0 million plus 25% of cumulative net income subsequent to April 2, 1993.

On April 26, 1995, convertible subordinated debentures totaling \$10.0 million were converted into 833,333 shares of Symantec common stock, leaving 1,250,000 shares of common stock reserved for future conversion as of March 31, 1996.

The estimated fair value of the \$15.0 million convertible subordinated debentures was approximately \$16.1 million at March 31, 1996. The estimated fair value was based on the total shares of common stock reserved for issuance

upon conversion of the debentures at the closing price of the Company's common stock at March 31, 1996, which exceeded the conversion price of \$12 per share.

NOTE 5. LINE OF CREDIT

The Company has a \$10.0 million bank line of credit that expires in March 1998. The line of credit is available for general corporate purposes and bears interest at the banks' reference (prime) interest rate (8.25% at March 31, 1996), the U.S. offshore rate plus 1.25%, a CD rate plus 1.25% or LIBOR plus 1.25%, at the Company's discretion. The line of credit requires bank approval for the payment of cash dividends. Borrowings under this line are unsecured and are subject to the Company maintaining certain financial ratios and profits. The Company was in compliance with the line of credit covenants as of March 31, 1996. At March 31, 1996, there was approximately \$0.4 million of standby letters of credit outstanding under this line of credit. There were no borrowings outstanding under this line at March 31, 1996.

NOTE 6. COMMITMENTS

Symantec leases all of its facilities and certain equipment under operating leases that expire at various dates through 2026.

The future fiscal year minimum operating lease commitments were as follows at March 31, 1996:

(In thousands)

1997	\$ 12,749
1998	11,738
1999	8,257
2000	6,980
2001	3,883
Thereafter	12,006

	\$ 55,613

Rent expense charged to operations totaled \$11.3 million, \$9.7 million and \$9.8 million for the years ended March 31, 1996, 1995 and 1994, respectively.

SYMANTEC CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

NOTE 7. INCOME TAXES

The components of the provision (benefit) for income taxes were as follows:

<TABLE>
<CAPTION>

(In thousands)	Year Ended March 31,		
	1996	1995	1994
-----	-----	-----	-----
Current:			
<S>	<C>	<C>	<C>
Federal	\$ (5,882)	\$ 998	\$ (5,460)
State	130	349	773
International	2,149	2,825	2,248
	-----	-----	-----
	(3,603)	4,172	(2,439)
Deferred:			
Federal	(1,006)	6,431	2,063
State	--	1,761	(425)
International	--	(1,217)	(452)
	-----	-----	-----
	(1,006)	6,975	1,186
	-----	-----	-----
	\$ (4,609)	\$ 11,147	\$ (1,253)
	-----	-----	-----
	-----	-----	-----

</TABLE>

The difference between the Company's effective income tax rate and the federal statutory income tax rate as a percentage of income (loss) before income taxes was as follows:

<TABLE>
<CAPTION>

	Year Ended March 31,		
	1996	1995	1994
<S>	<C>	<C>	<C>
Federal statutory rate	(35.0)%	35.0%	(34.0)%
State taxes, net of federal benefit	0.3	3.3	(1.6)
Non-deductible acquisition expenses	6.8	2.6	2.8
Non-deductible acquired in-process R&D	--	1.1	--
Benefit of pre-acquisition losses of Central Point	--	(6.7)	--
Impact of international operations	--	(11.2)	(2.1)
Losses for which no benefit is currently recognizable	16.9	--	--
Valuation allowance	--	--	30.7
Other, net	0.7	1.0	1.5
	(10.3)%	25.1%	(2.7)%

</TABLE>

The principal components of deferred tax assets were as follows:

<TABLE>
<CAPTION>

(In thousands)	March 31,	
	1996	1995
<S>	<C>	<C>
Tax credit carryforwards	\$ 8,213	\$ 7,645
Net operating loss carryforwards	19,813	16,487
Inventory valuation accounts	2,704	1,122
Other reserves and accruals not currently tax deductible	9,403	5,251
Accrued compensation and benefits	1,916	1,744
Deferred revenue	5,465	2,960
Sales incentive programs	4,054	968
Allowance for doubtful accounts	1,104	825
Acquired software	2,979	3,822
Accrued acquisition, restructuring and other expenses	2,364	2,960
Other	579	(991)
	58,594	42,793
Valuation allowance	(45,719)	(30,924)
	\$ 12,875	\$ 11,869

</TABLE>

SYMANTEC CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

Approximately \$19.7 million of the valuation allowance for deferred tax assets is attributable to stock option deductions, the benefit of which will be credited to equity when realized. Approximately \$18.1 million of the valuation allowance relates to losses and temporary differences associated with Delrina and the remaining \$7.9 million of the valuation allowance represents net operating loss and tax credit carryforwards of other acquired companies that are limited by separate return limitations and under the "change of ownership" rules of Internal Revenue Code Section 382. The change in the valuation allowance for the years ended March 31, 1996, 1995 and 1994 were net increases of \$14.8 million, \$1.6 million and \$27.4 million, respectively.

Pretax income (loss) from international operations was approximately \$(4.1) million, \$25.9 million and \$18.8 million for the years ended March 31, 1996, 1995 and 1994, respectively.

At March 31, 1996, the Company had tax credit carryforwards of \$7.9 million that expire in fiscal 1997 through 2011 and net operating loss carryforwards of \$50.8 million that expire in fiscal 1999 through 2011.

NOTE 8. EMPLOYEE BENEFITS

401(K) PLAN

Symantec maintains a salary deferral 401(k) plan for all of its domestic employees. The plan allows employees to contribute up to 15% of their pretax salary up to the maximum dollar limitation prescribed by the Internal Revenue

Code. Symantec matches 50% of employees' contributions up to 6% of the employees' eligible compensation. Company contributions under the plan were \$1.5 million, \$1.2 million and \$1.1 million for the years ended March 31, 1996, 1995 and 1994, respectively.

STOCK PURCHASE PLAN

In October 1989, the Company established the 1989 Employee Stock Purchase Plan and has reserved 2.0 million shares of common stock for issuance under the plan, including an increase of 500,000 shares approved by Symantec stockholders in fiscal 1996. Subject to certain limitations, Symantec employees may purchase, through payroll deductions of 2 to 10% of compensation, shares of common stock at a price per share that is the lesser of 85% of the fair market value as of the beginning of the offering period or the end of the purchase period. As of March 31, 1996, approximately 1.4 million shares had been issued under the plan.

STOCK OPTION PLANS

As of March 31, 1996, the Company has reserved 14.8 million shares of its common stock for issuance as incentive and nonqualified stock options to employees, officers, directors, consultants and independent contractors, including an increase of 1.0 million shares approved in fiscal 1996 by Symantec's stockholders for issuance under the 1988 Employees Stock Option Plan. Options under the Company's option plans may be granted at prices not less than 100% of fair market value on the date of grant, have a maximum term of ten years and generally vest over a four-year period. In addition, the Company has reserved an additional 1.2 million shares of its common stock for issuance under acquired company option plans and acquired company warrants.

During March 1996, the Board of Directors authorized the Company to offer to each employee with stock options having an exercise price greater than \$13.10 (the "Old Options") the opportunity to cancel the affected grants and receive a new grant for the same number of shares dated March 4, 1996 (the "New Options"). The New Options have an exercise price equal to \$13.10. Under the terms of this stock option cancellation and regrant, all options began vesting as of the new grant date and no portion of any regranted option may be exercised until March 4, 1997. Options representing a total of approximately 2.3 million shares of common stock were canceled and regranted. The President and Chief Executive Officer, the Executive Vice President, Worldwide Operations and Chief Financial Officer, the majority of the members of the Executive Staff, and all members of the Board of Directors elected to exclude themselves from this stock option cancellation and regrant.

SYMANTEC CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

On March 4, 1996, the Board of Directors also approved the 1996 Equity Incentive Plan (the "Plan"), the purpose of which is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of Symantec by offering them an opportunity to participate in the Company's future performance through awards of options and stock bonuses. This Plan is intended to replace the 1988 Option Plan, which the Board terminated as of stockholder approval of the Plan. The Plan will be administered by either the Board of Directors or a committee appointed by the Board of Directors. Awards under the Plan may be granted to employees, officers, directors, consultants, independent contractors and advisors of Symantec (or of any parent, subsidiary or affiliate of Symantec as the Board of Directors or committee may determine). On May 14, 1996, the stockholders of Symantec approved the Plan, including the allocation of approximately 2.7 million shares to be made available for the grant of such awards. As of March 31, 1996, no awards were outstanding under the Plan.

During fiscal 1996, Symantec also registered 400,000 shares to be issued under the terms of the 1994 Patent Incentive Plan. The purpose of this plan is to increase awareness of the increasing importance of patents to Symantec's business and to provide employees with incentives to pursue patent protection for new technologies that may be valuable to the Company. The Company's executive officers are not eligible for awards under the 1994 Patent Incentive Plan. As of March 31, 1996, approximately 4,000 shares had been issued under this plan.

Stock option and warrant activity was as follows:

(In thousands, except exercise price per share)	Number of Shares	Exercise Price Per Share
<S>	<C>	<C>
Outstanding at March 31, 1993	7,755	\$ 0.05 - \$ 64.65

Granted	3,873	0.07	-	35.05
Exercised	(1,699)	0.05	-	21.01
Canceled	(1,244)	0.05	-	64.65

Outstanding at March 31, 1994	8,685	0.05	-	64.65
Granted	3,799	10.06	-	27.52
Exercised	(1,813)	0.05	-	21.42
Canceled	(1,682)	0.50	-	64.65

Outstanding at March 31, 1995	8,989	0.50	-	54.95
Granted	5,990	10.31	-	32.88
Exercised	(1,601)	0.50	-	24.00
Canceled	(3,660)	2.48	-	54.95

Outstanding at March 31, 1996	9,718	0.50	-	39.38

</TABLE>

<TABLE>
<CAPTION>

(In thousands)	March 31,	
-----	1996	1995
	-----	-----
Balances are as follows:		
<S>	<C>	<C>
Reserved for issuance	10,418	11,679
Available for future grants	700	2,690
Exercisable and vested	3,894	4,006
Exercised, subject to repurchase	1	1

</TABLE>

NOTE 9. RELATED PARTY TRANSACTIONS

As part of the acquisition of Peter Norton Computing, Incorporated ("Norton") in fiscal 1991, Symantec assumed Norton's perpetual exclusive license agreement with Mr. Norton, a member of Symantec's Board of Directors until his resignation on September 27, 1994, to use his name and image for computer software products. Under the terms of the license, Mr. Norton is entitled to receive a royalty equal to the greater of 1% of net sales or 0.4% of the suggested retail price of products bearing Mr. Norton's name. Mr. Norton may terminate the agreement if Symantec fails to pay Mr. Norton an average of at least \$30,000 of royalties in any three consecutive years. Royalty expense under the agreement was \$2.9 million, \$1.9 million and \$1.6 million for the years ended March 31, 1996, 1995 and 1994, respectively.

55

SYMANTEC CORPORATION NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

Additionally, in connection with certain indemnification agreements entered into as part of the acquisition of Norton, Mr. Norton agreed to reimburse Symantec for certain litigation and acquisition costs in excess of specified amounts.

The net amount payable to Mr. Norton pursuant to these agreements at March 31, 1996 and 1995 was \$0.4 million and \$0.3 million, respectively.

NOTE 10. ACQUISITION, RESTRUCTURING AND OTHER EXPENSES

Acquisition, restructuring and other expense consists of the following:

<TABLE>
<CAPTION>

(In thousands)	Year Ended March 31,		
-----	1996	1995	1994
	-----	-----	-----
<S>	<C>	<C>	<C>
Delrina acquisition	\$ 22,000	\$ --	\$ --
Loss on sale of Time Line Solutions Corporation assets	2,653	--	--
Relocation of certain research and development activities	2,229	--	--
SLR acquisition	--	545	--
Central Point acquisition	(2,300)	9,000	--
Fifth Generation acquisition	--	--	15,000
Contact acquisition	--	--	7,400
XTree acquisition	--	--	3,514
Centralization and restructuring expense	--	--	4,700
Central Point restructuring charges	--	--	16,025
Purchased in-process research and development	--	--	2,955
Class action lawsuit settlement	--	--	6,500

Legal fees and expenses	2,000	--	--
Other	1,035	--	--
	-----	-----	-----
Total acquisition, restructuring and other expenses	\$ 27,617	\$ 9,545	\$ 56,094
	-----	-----	-----
	-----	-----	-----

</TABLE>

In connection with the acquisition of Delrina (See Note 2) in fiscal 1996, Symantec recorded total acquisition charges of \$22.0 million, which included \$8.8 million for legal, accounting and financial advisory services, \$6.4 million for the elimination of duplicative and excess facilities and equipment, \$3.7 million for personnel severance and outplacement expenses and \$3.1 million for the consolidation and discontinuance of certain operational activities and other acquisition-related expenses.

In November, 1995, Symantec sold the assets of Time Line Solutions Corporation, a wholly-owned subsidiary, to a group comprised of Time Line Solution Corporation's management and incurred a \$2.7 million loss on the sale.

During fiscal 1996, Symantec expensed \$1.0 million, which included a loss on the sale of certain assets and liabilities of a subsidiary and other expenses.

In February 1995, Symantec announced a plan to consolidate certain research and development activities. This plan was designed to gain greater synergy between the Company's Third Generation Language and Fourth Generation Language development groups. During fiscal 1996, the Company incurred \$2.2 million for the relocation costs of moving equipment and personnel.

In the fourth quarter of fiscal 1996, the Company recorded \$2.0 million in estimated legal fees expected to be incurred in connection with a securities class action complaint filed in March 1996 and other legal expenses (See Note 11).

In connection with the acquisitions of Central Point and SLR (See Note 2), Symantec recorded total acquisition charges of \$9.5 million in fiscal 1995. The charges included \$3.2 million for legal, accounting and financial advisory services, \$1.0 million for the write-off of duplicative product-related expenses and modification of certain development contracts, \$0.9 million for the elimination of duplicative and excess facilities, \$3.1 million for personnel severance and outplacement expenses and \$1.3 million for the consolidation and discontinuance of certain operational activities and other acquisition related expenses. During fiscal 1996, the Company recognized a

SYMANTEC CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

reduction in accrued acquisition, restructuring and other expenses of \$2.3 million as actual costs incurred were less than costs previously accrued by the Company.

In connection with the acquisitions of Fifth Generation and Contact by Symantec and the acquisition of XTree by Central Point (See Note 2), the Company recorded total charges of \$25.9 million in fiscal 1994. The charges included \$4.3 million for legal, accounting and financial advisory services, \$7.6 million for the write-off of duplicative product related expenses and modification of certain development contracts, \$3.6 million for the elimination of duplicative and excess facilities, \$5.3 million for personnel severance and outplacement expenses and \$5.1 million for the consolidation and discontinuance of certain operational activities and other acquisition related expenses.

During fiscal 1994, Symantec implemented a plan to consolidate and centralize certain operational activities. This plan was designed to reduce operating expenses and enhance operational efficiencies by centralizing certain order administration, technical support and customer service activities in Eugene, Oregon. The Company recorded a charge of \$4.7 million, which included \$1.1 million for the elimination of duplicative and excess facilities, \$1.5 million for the relocation of the Company's existing operations and equipment, \$1.1 million for employee relocation expenses and \$1.0 million for employee severance payments. This centralization has been completed.

During fiscal 1994, Central Point incurred \$16.0 million of expenses related to the restructuring of its operations in order to reduce its overall cost structure and to redirect its software development and marketing efforts away from the personal desktop computer market toward personal computer network markets. The charge included \$6.2 million for employee severance, outplacement and relocation expenses, \$5.6 million for the write-off of certain excess fixed and intangible assets, \$1.8 million for lease abandonments and facility relocation and \$2.4 million for the consolidation and discontinuance of certain operational activities and other related expenses. Of the total charges, \$5.9 million resulted from the write-off of assets and \$10.1 million involved cash

outflows. This restructuring has been completed.

As of March 31, 1996, total accrued cash related acquisition and restructuring expenses were \$7.8 million and included \$2.0 million for estimated legal fees and expenses, \$3.5 million for the elimination of duplicative and excess facilities and \$2.3 million for the consolidation and discontinuance of certain operational activities and other acquisition related expenses.

During fiscal 1994, Central Point purchased from unrelated parties certain in-process software technologies for approximately \$3.0 million which was immediately expensed.

During fiscal 1994, Symantec reached an agreement with the plaintiffs and Symantec's insurance carriers to settle two securities class action lawsuits and a related derivative lawsuit brought by stockholders of Symantec. The combined settlement amount of the cases was \$19.0 million, approximately \$12.5 million of which was paid by Symantec's insurance carriers. Symantec recorded a charge of \$6.5 million representing Symantec's portion of the class action settlement.

NOTE 11. LITIGATION

On March 18, 1996, a class action complaint was filed by the law firm of Milberg Weiss Bershad Hynes & Lerach in Superior Court of the State of California, County of Santa Clara against the Company and several of its current and former officers and directors. The complaint alleges that Symantec insiders inflated the stock price and then sold stock based on inside information that sales were not going to meet analysts' expectations. The complaint seeks damages in an unspecified amount. Symantec believes the complaint has no merit and will vigorously defend itself. The Company has accrued certain estimated legal fees and expenses related to this matter; however, actual amounts may differ materially from those estimated amounts.

On December 30, 1994, Software Engineering Carmel ("Carmel") filed a lawsuit in the U.S. District Court for the District of Oregon against Central Point, a wholly owned subsidiary of the Company. Carmel developed and maintains the anti-virus program distributed by Central Point. The complaint alleges that Central Point breached its contract with Carmel by not fulfilling an implied obligation under the contract to use its best efforts or alternatively, its reasonable efforts, to market the anti-virus program developed by Carmel. The complaint also alleges that Central Point violated the non-competition provision in its agreement by selling a competing anti-virus program,

57

apparently based on Symantec's sale of its own anti-virus product. The complaint seeks damages in the amount of \$6.75 million and a release of Carmel from its obligation not to sell competing products. A trial date has been set for July 1996. Symantec believes the complaint has no merit.

On September 3, 1992, Borland International, Inc. ("Borland") filed a lawsuit in the Superior Court for Santa Cruz County, California against Symantec, Gordon E. Eubanks, Jr. (Symantec's President and Chief Executive Officer) and Eugene Wang (a former Executive Vice President of Symantec who is a former employee of Borland). The complaint, as amended, alleges misappropriation of trade secrets, unfair competition, including breach of contract, interference with prospective economic advantage and unjust enrichment. Borland alleged that prior to joining Symantec, Mr. Wang transmitted to Mr. Eubanks confidential information concerning Borland's product and marketing plans. Borland claims damages in an unspecified amount. Symantec has denied the allegations of Borland's complaint and contends that Borland has suffered no damages from the alleged actions. Borland obtained a temporary restraining order and a preliminary injunction prohibiting the defendants from using, disseminating or destroying any Borland proprietary information or trade secrets. Symantec filed a cross complaint against Borland alleging that Borland had committed abuse of process and defamation in publishing statements that Symantec had acted in contempt of a temporary restraining order. The case is not being actively prosecuted at this time pending the outcome of the criminal proceedings, discussed below. Symantec believes that Borland's claims have no merit.

On September 2, 1992, the Scotts Valley, California police department, operating with search warrants for Borland proprietary and trade secret information, searched Symantec's offices and the homes of Messrs. Eubanks and Wang and removed documents and other materials. On February 26, 1993, criminal indictments were filed against Messrs. Eubanks and Wang for allegedly violating various California Penal Code Sections relating to the misappropriation of trade secrets and unauthorized access to a computer system. On August 23, 1993, the Court recused the District Attorney's Office from prosecution of the action. On October 5, 1993, the State Attorney General and the District Attorney's Office filed a Notice of Appeal of the Order, and that appeal was argued on July 11, 1995. On September 8, 1995, the Court of Appeals reversed the recusal order. A petition for review of this decision by the California Supreme Court was granted on December 14, 1995. Symantec believes the criminal charges against Messrs. Eubanks and Wang have no merit.

On June 11, 1992, Dynamic Microprocessor Associates, Inc. ("DMA"), a former wholly-owned subsidiary of Symantec which has since been merged into Symantec, commenced an action against EKD Computer Sales & Supplies Corporation ("EKD"), a former licensee of DMA and Thomas Green, a principal of EKD, for copyright infringement, violations of the Lanham Act, trademark infringement, misappropriation, deceptive acts and practices, unfair competition and breach of contract. On July 14, 1992, the Suffolk County, New York sheriff's department conducted a search of EKD's premises and seized and impounded thousands of infringing articles. On July 21, 1992, the Court issued a preliminary injunction against EKD and Mr. Green, enjoining them from manufacturing, marketing, distributing, copying or purporting to license DMA's pcANYWHERE III or using DMA's marks.

On July 20, 1992 and in a subsequent amendment, EKD and Mr. Green answered Symantec's complaint denying all liability and asserting counterclaims against Symantec and Lee Rautenberg, a former principal of DMA. In May 1993, EKD and Mr. Green were granted permission to file a Second Amended Answer and Counterclaims that dropped every previously raised claim and instead alleged that DMA obtained the temporary restraining order and preliminary injunction in bad faith and that DMA, Symantec and Mr. Rautenberg breached certain license agreements and violated certain federal and New York State antitrust laws. In February 1995, DMA was granted leave to file an Amended Complaint, which EKD subsequently responded to by a Third Amended Answer and Counterclaims virtually identical to EKD's Second Amended pleading. Symantec believes the charges made by EKD and Mr. Green have no merit.

Symantec is involved in a number of other judicial and administrative proceedings incidental to its business. The Company intends to defend all of the aforementioned pending lawsuits vigorously and although adverse decisions (or settlements) may occur in one or more of the cases, the final resolution of these lawsuits, individually or in the aggregate, is not expected to have a material adverse effect on the financial position of the Company. However, depending on the amount and timing of an unfavorable resolution of these lawsuits, it is possible that the Company's future results of operations or cash flows could be materially adversely affected in a particular period.

NOTE 12. SEGMENT INFORMATION

Symantec operates in the microcomputer software industry business segment. The Company markets its products in North America and international countries primarily through retail and distribution channels.

INFORMATION BY GEOGRAPHIC AREA

<TABLE>
<CAPTION>

(In thousands)	Year Ended March 31,		
	1996	1995	1994
NET REVENUES:			
<S>	<C>	<C>	<C>
North American operations:			
North American customers	\$ 303,280	\$ 296,684	\$ 286,790
International customers	16,609	16,977	33,504
Intercompany	6,015	4,625	7,841
	-----	-----	-----
	325,904	318,286	328,135
International operations:			
Customers	125,543	117,607	82,912
Intercompany	11,387	13,865	2,855
	-----	-----	-----
	136,930	131,472	85,767
Eliminations	(17,402)	(18,490)	(10,696)
	-----	-----	-----
	\$ 445,432	\$ 431,268	\$ 403,206
	-----	-----	-----
OPERATING INCOME (LOSS):			
North American operations	\$ (58,296)	\$ 17,907	\$ (57,458)
International operations	8,201	23,449	10,473
Eliminations	1,816	(1,070)	(305)
	-----	-----	-----
	\$ (48,279)	\$ 40,286	\$ (47,290)
	-----	-----	-----

March 31,

(In thousands)	1996	1995	1994
IDENTIFIABLE ASSETS:			
North American operations	\$ 246,619	\$ 258,850	\$ 227,672
International operations	51,309	50,782	38,696
	\$ 297,928	\$ 309,632	\$ 266,368

</TABLE>

Intercompany sales between geographic areas are accounted for at prices representative of unaffiliated party transactions.

SIGNIFICANT CUSTOMERS

The following customers accounted for more than 10% of net revenues during fiscal 1996, 1995 and 1994:

<TABLE>
<CAPTION>

	Year Ended March 31,		
	1996	1995	1994
<S>	<C>	<C>	<C>
Ingram Micro D	27%	22%	18%
Merisel	10	11	13

</TABLE>

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SYMANTEC CORPORATION

(Registrant)
By /s/ Gordon E. Eubanks, Jr.

(Gordon E. Eubanks, Jr.,
President and Chief Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated below.

Signature	Title	Date
----- CHIEF EXECUTIVE OFFICER:		
/s/ Gordon E. Eubanks, Jr. ----- (Gordon E. Eubanks, Jr.)	President, Chief Executive Officer and Director	June 24, 1996
----- CHIEF FINANCIAL OFFICER:		
/s/ Robert R. B. Dykes ----- (Robert R. B. Dykes)	Executive Vice President/ Worldwide Operations and Chief Financial Officer	June 24, 1996
----- CHIEF ACCOUNTING OFFICER:		
/s/ Howard A. Bain III ----- (Howard A. Bain III)	Vice President Finance and Chief Accounting Officer	June 24, 1996
----- DIRECTORS:		
/s/ Charles M. Boesenberg ----- (Charles M. Boesenberg)	Director	June 24, 1996
/s/ Walter W. Bregman ----- (Walter W. Bregman)	Director	June 24, 1996

----- (Carl D. Carman)	Chairman of the Board	June __, 1996
/s/ Robert S. Miller ----- (Robert S. Miller)	Director	June 24, 1996
----- (Leslie L. Vadasz)	Director	June __, 1996

60

SCHEDULE II

SYMANTEC CORPORATION
VALUATION AND QUALIFYING ACCOUNTS
(IN THOUSANDS)

<TABLE>
<CAPTION>

Classification	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions	Balance at End of Period
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	
Allowance for doubtful accounts:				
Year ended March 31, 1994	\$ 4,368	\$ 2,013	\$ (1,567)	\$ 4,814
Year ended March 31, 1995	4,814	1,094	(1,056)	4,852
Year ended March 31, 1996	4,852	903	(739)	5,016

</TABLE>

61

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Attorneys for Plaintiffs

SUPERIOR COURT OF STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

STEVEN COOPERMAN and ERIC D. FREED	)	No. CV756665
IRA, On Behalf of Themselves and)	
All Others Similarly Situated,	)	CLASS ACTION
)	
Plaintiffs,	)	COMPLAINT FOR DAMAGES BASED
	)	UPON:
vs.)	
	)	(1) VIOLATION OF CAL.
GORDON EUBANKS, CHARLES BOESENBERG,	)	CORP. CODE Sections 25400 AND
EUGENE WANG, HOWARD BAIN, ELLEN	)	25500; AND
TAYLOR, ROBERT DYKES, JOHN LAING,	)	(2) VIOLATION OF CAL. CIV.
DEREK WITTE and SYMANTEC	)	CODE Sections 1709-1710
CORPORATION,)	
)	
Defendants.	)	Plaintiffs Demand A
	)	Trial By Jury
-----)	-----

SUMMARY OF ACTION

1. This is a class action on behalf of purchasers of the stock of

Symantec Corporation ("Symantec" or the "Company") between July 24, 1995 and January 8, 1996 (the "Class Period"), complaining of a fraudulent scheme, conspiracy and course of business that operated as a fraud or deceit on purchasers of Symantec stock due to defendants' false and misleading statements, primarily about Symantec's new Windows 95-related utility software products known as Norton Navigator, Norton AntiVirus and Norton Utilities, and Symantec's sales in Europe, accompanied by falsification of Symantec's first and second quarters fiscal 1996 (ended June 30 and September 29, 1995) financial statements. These false and misleading statements drove Symantec's stock to a Class Period high of \$33-1/4 and enabled (i) Symantec to complete a large acquisition of another software company, Delrina Inc. ("Delrina"), in November 1995 by agreeing to issue, I.E., sell, 15 million shares of its stock; and (ii) Symantec's insiders to sell 394,901 shares of their shares at artificially inflated prices as high as \$32, pocketing over \$12 million for themselves, before it was exposed that sales of Symantec's Windows 95 utility software products were very poor and that, due to huge product returns, Symantec would suffer flat revenue growth in its third quarter of fiscal 1996 (ended December 31, 1995), resulting in a loss, causing its stock to collapse from \$22-1/2 to \$10-1/8 per share, in just four trading days, on huge volume of 27 million shares -- over 67% of Symantec's public float.

2. During 1993 and 1994, Symantec's business performed erratically, primarily because Symantec had been unable to achieve substantial or consistent revenue growth by introducing new

- 1 -

products or growing its business. As a result, Symantec stock performed poorly and, despite an increase during 1994, at year end 1994 Symantec's stock was trading below its price at the beginning of 1993, 24 months earlier, thus trailing well behind the strong performances of many other successful software companies during that same time period. This poor stock performance put pressure on Symantec's management to make it appear that Symantec's earnings and business were growing, so that the stock would perform better.

3. During early 1995, it was widely known that Microsoft intended to introduce a new, upgraded version of its Windows computer operating system known as Windows 95. The upcoming release of Windows 95 was widely anticipated in the financial community and viewed as providing an opportunity for software companies like Symantec, which sold products related to Microsoft's Windows, to profit as a result of this new "upgrade cycle." As a result, investor interest in companies like Symantec increased. During the past several years, Symantec had also attempted to grow its business by acquiring other companies, using its own stock to make such acquisitions. Thus, in early 1995, Symantec's President and CEO, Gordon Eubanks ("Eubanks") and Symantec's other insiders realized that they had a significant opportunity to push Symantec's stock price much higher by capitalizing on investor interest in Windows 95 and then take advantage of that high stock price by making a major

acquisition for Symantec by issuing Symantec stock and by selling substantial amounts of their own Symantec shares into the market at high, and for them, very profitable prices.

4. In the spring of 1995, Symantec announced it would launch several new products concurrently with the introduction of Windows

- 2 -

95, and previewed those products -- the Norton Navigator, AntiVirus and Utilities in April 1995. As a result of anticipation over the possible success of these new products, as well as the apparent success of the sale of Symantec's enterprise products and strong sales in Europe, Symantec's stock price increased from around \$17 per share at the beginning of 1995 to as high as \$30 per share by late June 1995.

5. Capitalizing on this increase in Symantec's stock price, in early July 1995, Symantec announced that it would acquire Delrina, another software company, in a transaction that would enable Delrina's shareholders to exchange their Delrina shares for 15 million shares of Symantec stock, IN ONE OF THE LARGEST, IF NOT THE LARGEST, ACQUISITIONS SYMANTEC HAD EVER MADE. However, because Delrina was located in Canada and because of other pre-merger work that had to be completed before the merger could be consummated, the Delrina acquisition would not be voted upon by Delrina's shareholders until November 1995. Since the value of the transaction to Delrina's shareholders depended upon the price of Symantec's stock, Symantec's insiders were under pressure to keep Symantec's stock price high until after Delrina's shareholders voted on the acquisition to increase the likelihood of approval by Delrina's shareholders.

6. In late July, Symantec officially introduced its three new Windows 95 utility software products, the Norton Navigator, AntiVirus and Utilities. However, by late July, Symantec's insiders had learned that Windows 95 when released would contain a much larger amount of built-in utilities than earlier versions of Windows had contained and, as a result, the prospects for commer-

- 3 -

cial success of its own line of Windows 95 utility products was greatly diminished. And, in order to get distributors and resellers to accept shipments of large amounts of its Norton Utilities for Windows 95, Symantec was forced to agree to give those distributors and resellers unlimited rights of return on any of the product that did not "sell through" at retail. Nevertheless, on July 24, 1995 -- the commencement of the Class Period -- when Symantec reported its results for the first quarter of fiscal 1996 (ended June 30, 1995), it assured the market that the results were at the "HIGH-END" of Symantec's expectations,

that the good results were largely due to "STRONG OVERSEAS [MOSTLY EUROPEAN] SALES," that Symantec expected to be a "MAJOR BENEFICIARY" of the Windows 95 upgrade cycle and thus its next few quarters would be particularly strong, enabling it to achieve fiscal 1996 earnings per share of \$1.20-1.23 per share.

7. In September 1995, after Windows 95 was introduced in August 1995, Symantec told the market that the sales of its Windows 95 utility products were "MEETING THE COMPANY'S EXPECTATIONS" and that the Company was "REAL HAPPY WITH HOW THEY'RE SELLING." Later in September and during October 1995, Symantec assured the market that sales of its Windows 95 lead products were "STRONG" and were "MEETING or "BEATING EXPECTATIONS." When Symantec reported strong revenue and earnings per share growth for its second quarter of fiscal 1996 (ended September 29, 1995), it again told analysts that the results "EXCEEDED SYMANTEC'S EXPECTATIONS" due to "STRONG SALES" of its Windows 95 utility products. Symantec also assured analysts that it was utilizing a "CONSERVATIVE" approach to revenue recognition for Windows 95 products and that as a result of this

- 4 -

would report stronger earnings growth later that year. Later in 1995, Symantec's top executives told analysts that its business was continuing to do "VERY WELL" with sales of its Windows 95 utility products continuing to be "STRONG" and "MEETING OR EXCEEDING ITS EXPECTATIONS," resulting in Symantec "guiding" analysts to increase their forecasted fiscal 1996 earnings per share for Symantec to approximately \$1.35 per share.

8. These positive reports pushed Symantec stock to a Class Period high of \$33-1/4 per share and maintained the stock price at inflated levels throughout the Class Period, enabling several key insiders at Symantec to unload an aggregate of 394,901 shares of their Symantec stock at between \$29-32 per share during August and September 1995, allowing them to pocket over \$12 million, while helping to assure that Delrina's shareholders voted to approve the acquisition of their company by Symantec in November 1995. OF THE EIGHT SYMANTEC INSIDERS WHO UNLOADED SHARES AT THESE INFLATED PRICES, SEVEN SOLD OVER 50% OF THE STOCK THEY OWNED, FIVE SOLD VIRTUALLY ALL THEIR HOLDINGS, I.E., OVER 90%, WHILE EUBANKS, SYMANTEC'S CEO, SOLD OVER 50% OF HIS HOLDINGS! Virtually all of the shares sold by Symantec's insiders were obtained by them by the exercise of stock options at much lower prices -- SOME AS LOW AS \$.50 PER SHARE -- and then immediately sold by them to pocket millions in risk-free profits based on Symantec stock's inflated trading price.

9. On January 4, 5 and 8, 1996, Symantec stock plunged from \$22-1/2 to \$15-3/8 per share, a 32% decline on 11 million shares volume, as information leaked into the marketplace that the sales of Symantec's Windows 95 utility products might not be as strong as

earlier represented. Then, after the close of trading on January 8, 1996, Symantec shocked the market by revealing that its results for the quarter ended December 31, 1995 would be much worse than earlier forecast due to very poor sales of -- and large returns of -- its Windows 95 utility products -- meaning Symantec would achieve NO REVENUE GROWTH OVER THE PRIOR QUARTER AND LIKELY SUFFER A LOSS FOR THAT QUARTER. The next trading day, Symantec's stock collapsed to \$10-1/8 per share, a 34% one-day decline on huge volume of 15.9 million shares -- THE LARGEST ONE-DAY PERCENTAGE STOCK PRICE DECLINE ON THE LARGEST ONE-DAY STOCK VOLUME IN SYMANTEC'S HISTORY. Eubanks admitted "WE HAD A TERRIBLE QUARTER. WE SCREWED UP." Analysts immediately slashed their earnings forecasts for Symantec for the fourth quarter of fiscal 1996, fiscal 1996 as a whole and for fiscal 1997. Later, Symantec announced that its revenues for the December 1995 quarter were \$111 million (a decline from the third quarter) and that it actually suffered an operating loss of \$1.1 million! Later, Eubanks admitted this catastrophe was not due to slower than anticipated sales of Windows 95 -- "I'm not blaming Microsoft. I'm blaming Symantec. . . . Windows 95 is selling great. It's just that we had a higher forecast for sales of our products than we managed to meet."

10. Each of the positive statements about Symantec's business during the Class Period was materially false and misleading. The true facts were:

(a) Symantec's Windows 95 utility software products (Navigator, AntiVirus and Utilities) were selling poorly at retail and below the levels forecast by the Company, which would result in

large distributor/reseller returns of those products well in excess of amounts Symantec had reserved for OR in sharply diminished distributor/reseller reorders of those products, causing Symantec to not achieve the revenue and income growth forecast by and for it for the last half of fiscal 1996;

(b) Sales of Symantec's Windows 95 Utilities, Navigator and AntiVirus products were not meeting or exceeding Symantec's expectations and in fact were below expectations, due to (i) lower than anticipated sales of Windows 95; AND (ii) lower than anticipated "attach rates" of Symantec utility products to Windows 95, as Windows 95 came equipped with a large number of built-in utilities, thus diminishing the need for and attractiveness of Symantec's products;

(c) Symantec was not encountering a good "attach rate" with respect to the sale of its products along with Windows 95 and in fact the "attach rate" was below expectations because Windows 95 came equipped with a large amount of built-in utilities, thus making Symantec's products less necessary or attractive

to purchasers of Windows 95;

(d) Sales of Symantec's Windows 95 utility software products were not strong and were not beating or exceeding its expectations, and in fact, sales of such products at the retail level were weak and well below Symantec's expectations, meaning that Symantec's reserves for product returns by distributors and resellers were grossly inadequate;

(e) Sales of Symantec's enterprise products were weak and below internal goals and budgets;

- 7 -

(f) Symantec's European sales were well below Symantec's expectations and doing very poorly due to competitive pressures and localized negative economic factors;

(g) That the problems identified in Paragraph 10(a)-(f) above, were causing Symantec to fall short of its planned revenue and earnings growth and made it impossible for Symantec to meet the revenue and earnings forecasts made by and for it for the third and fourth quarters of fiscal 1996 and fiscal 1996 as a whole;

(h) Symantec was not following a conservative approach with respect to revenue recognition on its Windows 95 utility and products and in fact was improperly recognizing revenue on these products in violation of Generally Accepted Accounting Principles ("GAAP"), thus inflating its financial results and concealing the poor sales or "attach rates" of these products and the deterioration of Symantec's business overall;

(i) Symantec's reported revenues and earnings per share for the first and second quarters of fiscal 1996 (ended June 30 and September 29, 1995) were artificially inflated due to the improper recognition of revenue via the accounting artifices and tricks detailed in this Complaint;

(j) Symantec's method of accounting for its Windows 95 utility products was not "conservative" or such that it would result in strengthening Symantec's reported profits in the last half of fiscal 1996, but, in fact, the contrary was true, since Symantec was violating GAAP in the manner in which it was recognizing revenue in Europe and on the sale of its Windows 95 utility products, which would result in massive returns and/or

- 8 -

reduced shipments of those products later on in fiscal 1996, hurting Symantec's reported profits;

(k) That in order to cover up the weak sales of its Windows 95-related products, its enterprise products and its poor European results, Symantec was falsifying its reported financial results by improperly recognizing millions in revenue, thus inflating its reported revenues, income and earnings per share;

(l) It was not true that except for Microsoft no software company stood to gain as much from the sale of Microsoft Windows 95 operating systems as Symantec did as defendants knew that Windows 95 came equipped with large amounts of built-in utilities and this diminished the desirability of or necessity for Symantec's products among purchasers of Windows 95 and this, in fact, was very adversely affecting retail sales of Symantec's Windows 95 utility products;

(m) Because defendants knew that Windows 95 would come equipped with a large amount of built-in utilities which would greatly diminish the need for and appeal of Symantec's stand-alone Windows 95 utility software products, Symantec's statement that it would be a major beneficiary from the Windows 95 upgrade cycle was known by defendants to be false;

(n) That defendants' positive forecasts and projections regarding Symantec's Windows 95 utility product line, and its revenues or earnings growth during the balance of fiscal 1996 were known by defendants to be false as they were inconsistent with the above negative factors; and

(o) That defendants' forecasts of increased earnings for Symantec in fiscal 1996 of \$1.25-\$1.35 and of earnings per share of

- 9 -

\$.31 - \$.33 for the third quarter of fiscal 1996, were known by defendants to be false as they were contradicted by the adverse facts set forth above.

11. The charts below show the increase in Symantec's stock price while defendants were issuing false and misleading statements, defendants' stock sales at inflated prices and Symantec stock's collapse as the true facts became known, and illustrate that, when compared to an index of similar stocks, the movement of Symantec stock was largely due to Company specific information as opposed to industry or market factors.

SYMANTEC CORPORATION
DECEMBER 30, 1994 - JANUARY 30, 1996
DAILY STOCK PRICES

[GRAPH]

SYMANTEC CORPORATION
VS. H&Q COMPUTER SOFTWARE PRODUCTS GROUP
JUNE 1, 1995 - JANUARY 24, 1996

[GRAPH]

JURISDICTION AND VENUE

12. This Court has jurisdiction over all causes of action asserted in this Complaint pursuant to the California Constitution, Article VI, Section 10, because this case is a cause not given by statute to other trial courts. The claims asserted herein arise under Sections 25400 and 25500 of the Cal. Corp. Code and Sections 1709-1710 of the Cal. Civ. Code.

13. Each of the individual defendants resides in and is a citizen of the State of California. One of the plaintiffs lives in

- 11 -

and is a citizen of California. Symantec has its principal place of business in California. The amount in controversy of each of the named plaintiffs' claims is less than \$50,000 exclusive of interest and costs. This action is not removable to federal court.

CLASS ACTION ALLEGATIONS

14. Plaintiffs bring this action as a class action pursuant to California Code of Civil Procedure Section 382 on behalf of all persons who purchased or otherwise acquired Symantec stock (the "Class") during the Class Period. Excluded from the Class are the defendants, members of their families and any entity in which a defendant has an interest.

15. The Class is composed of numerous residents of California, as well as persons dispersed throughout the U.S., the joinder of whom is impracticable. The disposition of their claims in a class action will provide substantial benefits to the parties and the Court. During the Class Period, Symantec had more than 38 million shares of stock outstanding, owned by thousands of shareholders.

16. There is a well-defined community of interest in the questions of law and fact involved in this case. The questions of law and fact common to the members of the Class which predominated over questions which may affect individual Class members, include the following:

(a) Whether Cal. Corp. Code Sections 25400 and 25500 were violated by defendants;

(b) Whether Cal. Civ. Code Sections 1709-1710 were violated by defendants;

- 12 -

(c) Whether defendants omitted and/or misrepresented material facts;

(d) Whether defendants failed to disclose or conspired or aided and abetted one another in not disclosing material facts necessary to make the statements made not misleading;

(e) Whether defendants knew or recklessly disregarded that their statements were false and misleading;

(f) Whether the price of Symantec stock was artificially inflated during the Class Period; and

(g) The extent of damage sustained by Class members and the appropriate measure of damages.

17. Plaintiffs' claims are typical of those of the Class because plaintiffs and the Class sustained damages from defendants' wrongful conduct.

18. The prosecution of separate actions by individual Class members would create a risk of inconsistent and varying adjudications.

19. Plaintiffs will adequately protect the interests of the Class. They have retained counsel who are experienced in class action securities litigation. Plaintiffs have no interests which conflict with those of the Class.

20. A class action is superior to other available methods for the fair and efficient adjudication of this controversy.

THE PARTIES

21. (a) Plaintiff Steven Cooperman, a retired physician, purchased 2,000 shares of Symantec stock on December 1, 1995 at \$26-3/4 per share and was damaged thereby.

- 13 -

(b) Plaintiff Eric D. Freed IRA purchased 100 shares of Symantec stock on October 30, 1995 at \$25-5/8 per share and was damaged thereby.

22. (a) Defendant Symantec is headquartered at Cupertino, California. It

sells computer software products. Approximately 88% of Symantec's revenues are derived from products that operate on Microsoft's MS-DOS or Windows operating systems. Symantec stock trades in an efficient market on the NASDAQ System.

(b) Symantec has had a historic pattern of acquiring other companies by issuing Symantec stock. During 1992-1994, Symantec acquired the following companies by issuing shares of Symantec stock:

<TABLE>

<CAPTION>

COMPANIES ACQUIRED	DATE ACQUIRED	SHARES OF SYMANTEC COMMON STOCK ISSUED
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<S>	<C>	<C>
INTEC SYSTEMS CORPORATION	AUGUST 31, 1994	133,332
CENTRAL POINT SOFTWARE, INC.	JUNE 1, 1994	4,029,429
SLR SYSTEMS, INC.	MAY 31, 1994	178,093
FIFTH GENERATION SYSTEMS, INC.	OCTOBER 4, 1993	2,769,010
CONTACT SOFTWARE INTERNATIONAL INC.	JUNE 2, 1993	2,484,019
CERTUS INTERNATIONAL CORPORATION	NOVEMBER 30, 1992	368,141
MULTISCOPE, INC.	SEPTEMBER 2, 1992	253,878
THE WHITE WATER GROUP, INC.	SEPTEMBER 2, 1992	69,740

</TABLE>

One of the reasons why Symantec's insiders wanted to push Symantec's stock price higher in 1995 and were willing to falsify its first and second quarter fiscal 1996 results (ended June 30 and September 29, 1995), was so that Symantec could make a major acquisition using Symantec stock.

(c) Symantec, Eubanks and Symantec's other insiders have a history of fraudulent conduct in connection with the trading in Symantec stock. In 1991-1992, when they pushed Symantec's stock

- 14 -

from the high \$20s to over \$50 per share while reporting strong (but phony) financial results while falsely forecasting strong, continued profit growth, due to the success of Symantec's products, Eubanks, Robert Dykes, John Laing and other Symantec insiders unloaded 2.5 million of their Symantec shares for \$90 million, before it was exposed that Symantec was stealing trade secrets from Borland and Symantec reported losses rather than the strong profits it had forecast. Eubanks and Eugene Wang were indicted for theft of those trade

secrets. Symantec stock collapsed to less than \$10 per share. After being sued by investors for that fraud, Symantec, Eubanks and the other defendants paid \$19 million to compensate the investors they had allegedly defrauded. The chart below highlights this prior incident of securities fraud involving Symantec and its insiders:

[GRAPH]

- 15 -

(d) (i) Another reason why Eubanks and the other officers of Symantec named as defendants falsified Symantec's reported profits for the quarters ended June 30 and September 29, 1995 was to collect larger payments under Symantec's Executive Officer Compensation Plan, which pays quarterly bonuses to Symantec's top executives EACH quarter based on Symantec's operating profits and performance compared to the Company's internal budget or forecast. During the past, Symantec's executive officers had their base salaries reduced by 10% to reflect the Company's failure at that time to meet desired targets and objectives. Thus, they had experienced the consequences of poor financial performance and were determined to have Symantec report inflated profits even if they had to falsify its result to do so;

(ii) Bonuses for executive officers are paid pursuant to Symantec's quarterly bonus program. Under the quarterly bonus program, a bonus pool is established by Symantec's Board each quarter. The pool for the quarterly bonus program is increased by a percentage of operating income in excess of the Company's plan for the quarter and is reduced if operating income falls below the Company's plan. The Board determines the amount payable to the CEO, and the CEO proposes to the Board for their approval the allocation of the remainder of the pool to the remaining executive officers;

(iii) Under the quarterly bonus program, bonuses for executive officers are determined based in part on overall corporate performance. These factors receive approximately equal weight. Overall corporate performance is judged based primarily on operating profit/loss, including ability to achieve budgeted

- 16 -

revenue and expense levels. Because the pool of funds available for bonuses is determined by corporate financial performance, bonuses are significantly affected if corporate financial performance falls short of budget or goals; and

(iv) An important factor taken into account by the Board in awarding bonuses includes executives' ability to achieve budgeted revenue levels. The Company establishes its financial objectives in connection with its

normal financial budgeting process. Approximately every six months, a budget is established for the following four fiscal quarters.

23. (a) Defendant Gordon Eubanks is President and CEO of Symantec and a member of its Board. Because of defendant Eubanks' position with Symantec, he knew the adverse non-public information about its business, finances, products, markets and present and future business prospects via access to internal corporate documents (including Symantec's operating plans, budgets and forecasts and reports of actual operations compared thereto), conversations and connections with other corporate officers and employees, attendance at management and Board of Directors' meetings and committees thereof and via reports and other information provided to them in connection therewith. As part of the scheme, Eubanks sold 135,000 shares of Symantec stock at artificially inflated prices of \$29-\$30-7/8 per share based on inside information, pocketing \$4.1 million. Eubanks exercised options to acquire 105,000 of those shares at \$.50-1.00 per share and sold the shares immediately upon exercise. These sales constituted 52% of Eubank's holdings in Symantec. Eubanks is currently under criminal indictment for stealing trade secrets from one of Symantec's competitors.

- 17 -

(b) Defendant Robert Dykes ("Dykes") is Executive Vice President-Worldwide Operations and Chief Financial Officer of Symantec. Because of defendant Dykes' position with Symantec, he knew the adverse non-public information about its business, finances, products, markets and present and future business prospects via access to internal corporate documents (including Symantec's operating plans, budgets and forecasts and reports of actual operations compared thereto), conversations and connections with other corporate officers and employees, attendance at management meetings and via reports and other information provided to them in connection therewith. Dykes signed the Form 10-Qs for the quarters ended June 30 and September 29, 1995. As part of the fraudulent scheme, Dykes sold 100,000 shares of Symantec stock at artificially inflated prices of \$30-5/8 per share based on inside information, pocketing \$3 million. Dykes exercised options to purchase 50,000 of those shares at \$12.75 per share and 50,000 shares at \$16.94 per share and sold the shares immediately upon exercise. These sales constituted 65% of Dykes' holdings in Symantec.

(c) Defendant John Laing ("Laing") is Executive Vice President-Worldwide Sales of Symantec. Because of Laing's position with Symantec, he knew the adverse non-public information about its business, finances, products, markets and present and future business prospects via access to internal corporate documents (including Symantec's operation plans, budgets and forecasts and reports of actual operations compared thereto), conversations and connections with other corporate officers and employees, attendance at management meetings and via reports and other information

provided to them in connection therewith. As part of the fraudulent scheme, Laing sold 11,500 shares of Symantec stock at artificially inflated prices of \$22.88 to \$31 per share based on inside information, pocketing \$355,600. Laing exercised options to purchase 10,000 of those 11,500 shares at \$11 per share and sold the shares virtually immediately upon exercise. These sales constituted 43% of Laing's holdings in Symantec.

(d) Defendant Charles Boesenberg ("Boesenberg") is an Executive Vice President and a Director of the Company. Because of defendant Boesenberg's position with Symantec, he knew the adverse non-public information about its business, finances, products, markets and present and future business prospects via access to internal corporate documents (including Symantec's operating plans, budgets and forecasts and reports of actual operations compared thereto), conversations and connection with other corporate officers and employees, attendance at management and Board of Directors' meetings and committees thereof and via reports and other information provided to them in connection therewith. During the Class Period and as part of the fraudulent scheme, defendant Boesenberg sold 75,332 shares of Symantec stock at artificially inflated prices of \$30-\$31-1/8 per share based on inside information, pocketing over \$2.2 million. Boesenberg exercised options to purchase those 75,332 shares at \$10.75 and \$16.16 per share and sold the shares immediately upon exercise. These sales constituted 96% of Boesenberg's holdings in Symantec.

(e) Defendant Eugene Wang ("Wang") is an Executive Vice President of Symantec. Because of Wang's position with Symantec, he knew the adverse non-public information about its business,

finances, products, markets and present and future business prospects via access to internal corporate documents (including Symantec's operating plans, budgets and forecasts and reports of actual operations compared thereto), conversations and connections with other corporate officers and employees, attendance at management meetings thereof and via reports and other information provided in connection therewith. As part of the fraudulent scheme, Wang sold 5,000 shares of Symantec stock at artificially inflated prices of \$31-5/8 per shares based on inside information, pocketing \$158,150. Wang exercised options to purchase all 5,000 of those shares at \$10.50 per share and sold the shares immediately upon exercise. These sales constituted 100% of Wang's holdings in Symantec. Wang is currently under criminal indictment for stealing trade secrets from one of Symantec's competitors.

(f) Defendant Ellen Taylor ("Taylor") is a Vice President and General Manager of the Norton Group of Symantec. Because of defendant Taylor's position with Symantec, she knew the adverse non-public information about its business,

finances, products, markets and present and future business prospects via access to internal corporate documents (including Symantec's operating plans, budgets and forecasts and reports of actual operations compared thereto), conversations and connections with other corporate officers and employees, attendance at management meetings and via reports and other information provided to her in connection therewith. As part of the fraudulent scheme, Taylor sold 21,174 shares of Symantec stock at artificially inflated prices of \$28-\$29-1/2 per share based on inside information, pocketing \$607,478. Taylor exercised options to purchase those

- 20 -

21,174 shares at \$11 and \$16 per share and sold the shares immediately upon exercise. These sales constituted 98% of Taylor's holdings in Symantec.

(g) Defendant Derek Witte ("Witte") is a Vice President and General Counsel of Symantec. Because of Witte's position with Symantec, he knew the adverse non-public information about its business, finances, products, markets and present and future business prospects via access to internal corporate documents (including Symantec's operating plans, budgets and forecasts and reports of actual operations compared thereto), conversations and connections with other corporate officers and employees, attendance at management meetings and via reports and other information provided in connection therewith. As part of the fraudulent scheme, defendant Witte sold 25,793 shares of Symantec stock at artificially inflated prices of \$31-\$32 per share based on inside information, pocketing \$802,456. Witte exercised options to purchase 24,647 of those shares at \$10-1/4-\$14-1/2 per share and sold the shares immediately upon exercise. These sales constituted 100% of Witte's holdings in Symantec.

(h) Defendant Howard Bain ("Bain") is Chief Accounting Officer of Symantec. Because of Bain's position with Symantec, he knew the adverse non-public information about its business, finances, products, markets and present and future business prospects via access to internal corporate documents (including Symantec's operating plans, budgets and forecasts and reports of actual operations compared thereto), conversations and connections with other corporate officers and employees, attendance at management meetings and via reports and other information provided in

- 21 -

connection therewith. Bain signed the Company's Form 10-Qs for the quarters ended June 30 and September 29, 1995. As part of the fraudulent scheme, Bain sold 21,102 shares of Symantec stocks at artificially inflated prices of \$22-5/6-\$31-3/4 per share based on inside information, pocketing \$658,939. Bain acquired 20,000 of those 21,102 shares by the exercise of options at \$11 per share and immediately sold the shares upon exercise. These sales constituted

98% of Bain's holdings in Symantec.

(i) The individuals named as defendants in Paragraph 23 (a) - (h) are referred to as the "Individual Defendants." The Individual Defendants aided or abetted or conspired to commit the violations of law complained of.

24. Defendant Eubanks, by reason of his position as CEO and President of Symantec, and a director of the Company was a controlling person of Symantec and had the power and influence, and exercised the same, to cause Symantec to engage in the conduct complained of.

25. During the Class Period, each Individual Defendant occupied a position that made him or her privy to non-public information concerning Symantec. Because of this access, each of these defendants knew that the adverse facts specified herein were being concealed. Notwithstanding their duty to refrain from selling Symantec stock while in possession of material, non-public information concerning Symantec, the defendants sold 394,901 shares of the Company's stock, in many instances over 90% of their holdings, pocketing over \$12 million and thus profiting from their fraudulent scheme.

- 22 -

SYMANTEC'S INTERNAL FORECASTS PLANS AND PROJECTIONS

26. A key management tool for Symantec's top executives was Symantec's annual budget or forecast, by which the Company's Board, after input from top executives, set performance goals and then closely monitored the Company's actual performance, compared to those budgeted and/or forecasted. Symantec prepared its fiscal 1996 forecast and budget by mid-1995 and then updated it thereafter. Symantec's fiscal 1996 budget or forecast for the year ended March 31, 1996, which called for substantial revenue growth, was very dependent upon Symantec obtaining large increases of revenue due to sales of its Windows 95 utility product line, plus greatly increased European revenues. Each of the Individual Defendants was aware of Symantec's fiscal 1996 forecast and budget and of internal reports comparing Symantec's actual results to those budgeted and/or forecasted. Based on the negative internal reports of the Company's actual performance compared to that budgeted and forecasted, the Individual Defendants each knew Symantec's business was not performing as well as publicly represented, that Symantec was encountering very poor retail sales of its Windows 95 utility products due to low "attach rates," weak sales of its enterprise software products, weak sales of its products in Europe, and that Symantec was artificially inflating its reported revenues and profits by improper practices, I.E., accounting tricks, detailed elsewhere in this Complaint, meaning that Symantec could not possibly achieve the revenue and earnings per share growth in the second, third and fourth quarters of fiscal 1996 or fiscal 1996 as a whole forecast by and for it. Thus,

defendants each knew or recklessly disregarded that the statements issued during the Class Period were false and misleading when made.

DEFENDANTS' FRAUDULENT SCHEME,
CONSPIRACY AND COURSE OF BUSINESS

27. During 1993 and 1994 Symantec's business performed erratically, primarily because Symantec had been unable to achieve either substantial or consistent revenue growth by successfully introducing new products or otherwise growing its business. As a result, Symantec stock performed poorly and, despite an increase during 1994, at year end 1994 Symantec's stock was trading BELOW its price at the beginning of 1993, 24 months earlier, thus trailing well behind the strong performances of many other successful software companies during that same time period. This poor stock performance put pressure on Symantec's management to boost Symantec's earnings and to grow the business, so that the stock would perform better.

28. During early 1995 it widely known that Microsoft intended to introduce a new, upgraded version of its Windows computer operating systems known as Windows 95. The upcoming release of Windows 95 was widely followed in the financial community and was viewed as providing an opportunity for software companies like Symantec, which sold products related to Microsoft's Windows, to profit as a result of this new "upgrade cycle." As a result of this, investor interest increased in companies like Symantec. During the past several years, Symantec had also attempted to grow its business by acquiring other companies, using its own stock to make such acquisitions. Thus, in early 1995, Symantec's insiders realized that they had a significant oppor-

tunity to push Symantec's stock price much higher by capitalizing on investor interest in Windows 95 and then take advantage of that high stock price by making a major acquisition for Symantec and by selling substantial amounts of their own Symantec shares into the market at high, and for them, very profitable prices.

29. In the spring of 1995, Symantec announced it would launch several new products concurrently with the introduction of Windows 95, and previewed those products -- the Norton Navigator, Norton AntiVirus and Norton Utilities -- in April 1995. As a result of anticipation over the possible success of these new products, as well as the apparent success of the sale of Symantec's enterprise products and strong sales in Europe, Symantec's stock price increased from around \$17 per share at the beginning of 1995 to as high as \$30 per share by late June 1995.

30. On July 6, 1995, Symantec announced it would acquire Delrina by issuing some 15 million shares of Symantec stock. This was a huge acquisition for Symantec, THE LARGEST IT HAD EVER MADE. Based on Symantec's July 6, 1995 stock price of \$26 per share, the acquisition had a value of about \$390 million to Delrina's shareholders. However, shortly after the Delrina merger was announced, Symantec stock declined from a high of \$27-1/8 the day after the merger was announced to as low as \$23 several days later. The ability of Symantec to complete the Delrina acquisition depended in part on keeping its stock price high, at least through the date Delrina's shareholders voted on the merger. Symantec's insiders were concerned that any further significant decline in Symantec's stock would jeopardize their ability to complete the Delrina

- 25 -

acquisition and inhibit their ability to profit by selling their Symantec stock into the market.

31. In late July, Symantec also officially introduced its three new Windows 95 utility software products, the Norton Navigator, Utilities and AntiVirus. However, by late July, Symantec's insiders had learned that Windows 95, when released, would contain a much larger number of built-in utilities than earlier versions of Windows had contained and, as a result, the prospects for commercial success of Symantec's own line of Windows 95 utility products was greatly diminished. However, because Symantec had already invested millions in the development of these products and had already "pre-announced" that it would introduce and market these products, Symantec had no realistic option other than to go forward with product "roll-out" and hope for the best -- even though it and its insiders knew the prospects for real success were remote at best -- intending to inflate Symantec's stock price long enough for them to unload lots of their stock at inflated prices and for Symantec to achieve the approval of the Delrina acquisition by Delrina's shareholders. Thus, defendants pursued a fraudulent scheme, conspiracy and course of business while aiding and abetting one another, that operated as a fraud and deceit on purchasers of Symantec stock by making the false and misleading statements set forth below.

FALSE AND MISLEADING STATEMENTS
DURING THE CLASS PERIOD

32. On July 24, 1995, Symantec issued a press release reporting revenues, net income and earnings per share of \$90.1 million, \$11.6 million and \$.29, respectively, for its first

- 26 -

quarter of fiscal 1996, ended June 30, 1995. The release also stated:

"SYMANTEC CONTINUES TO SEE GROWTH IN OUR ENTERPRISE PRODUCTS. . ." said Gordon E. Eubanks, Jr., Symantec's president and CEO. "In addition, with the expected shipment of Windows 95, we see a TREMENDOUS OPPORTUNITY for Symantec. . . ."

PREPARATION FOR WINDOWS 95

Symantec spent much of the June quarter preparing for Windows 95. Symantec expects to ship three Windows 95 utility products in August, just prior to the release of Microsoft's Windows 95. These products are Norton Utilities for Windows 95, Norton Navigator for Windows 95 and Norton AntiVirus for Windows 95.

33. On July 24, 1995, Eubanks and Bain spoke with securities analysts and told them:

- Symantec's first quarter results were at the "HIGH END OF SYMANTEC'S EXPECTATIONS."
- Symantec's strong results were largely due to "STRONG OVERSEAS (MOSTLY EUROPEAN) SALES."
- Symantec's was poised to benefit from the August 1995 introduction of Windows 95 due to its Norton AntiVirus, Norton Utilities and Norton Navigator products.
- Symantec's next two quarters were expected to be "PARTICULARLY STRONG."
- Symantec expected to be a "MAJOR BENEFICIARY" of the Windows 95 upgrade cycle.
- Symantec forecast or endorsed forecasts of fiscal 1996 earnings per share of \$1.20-\$1.23.

Securities analysts reported this information to the market where it became part of the total mix of information affecting Symantec stock while increasing their earnings forecasts for Symantec based on its stronger than expected first quarter fiscal 1996 results and the positive statements made by its executives. Symantec's stock surged to \$27-7/8 after Symantec's July 24, 1995 report and its executives' discussions with analysts.

34. On July 31, 1995, Symantec issued a press release which stated:

Symantec Corporation today announced a comprehensive set of three utility products of Microsoft Windows 95. . . . The products are Norton Utilities, the only 32-bit continuous system protection and data recovery solution for Windows 95; Norton Navigator for enhanced file management and desktop navigation; and Norton AntiVirus, comprehensive 32-bit anti-virus protection specifically for Windows 95.

* * *

Gordon E. Eubanks, Jr., president and CEO said, ". . . The products we are introducing for Windows 95 enhance our position as the industry's leader providing reliable and technically-proven utility software."

35. On September 1, 1995, Eubanks gave an interview to REUTERS which REUTERS reported. Eubanks said:

- Sales of Symantec's utility products for Windows 95 "ARE MEETING THE COMPANY'S EXPECTATIONS."

- "WE'RE REAL HAPPY WITH HOW THEY'RE SELLING IT'S CERTAINLY MEETING OUR EXPECTATIONS."

- Retailers were telling Symantec that there was a "GOOD ATTACH RATE" of customers who buy Windows 95 and "AT LEAST ONE OF SYMANTEC'S THREE NORTON UTILITY PRODUCTS."

- Norton Navigator was "DOING A LITTLE BETTER THAN WE THOUGHT," while Norton Utilities and Norton AntiVirus were "MEETING EXPECTATIONS."

Immediately after this interview was reported, Symantec stock jumped almost \$4 per share on its largest one-day stock volume in months. Within a few days the stock reached its Class Period high of \$33-1/4.

36. On September 20, 1995, Eubanks was interviewed by REUTERS. In that interview Eubanks said:

- "Looking at Symantec's current sales performance . . . EUROPEAN . . . markets WERE OUTPERFORMING OTHER AREAS AT PRESENT."

- 28 -

- Symantec was most excited about what it was seeing in Europe for its business, where it was encountering STRONG DEMAND for its products.

37. During August and September, while Symantec's stock was selling at between \$29 and \$33-1/4 per share (its Class Period high), the eight Symantec executives named as defendants sold 382,899 shares of Symantec stock, pocketing over \$12 million, and in at least five instances selling over 90% of the Symantec stock they owned, with Eubanks the CEO selling 52% of his shares -- 135,000 shares at \$29-\$30-7/8 per share -- 105,000 shares of which he acquired by exercising options at \$.50-\$1.00 per share -- then immediately selling the stock for over \$30 per share.

38. On or about October 16, 1995, Symantec executives communicated with a Morgan Stanley analyst and told her:

- Customer acceptance of Symantec's Windows 95-related products was "STRONG" and sales of these products were "BEATING EXPECTATIONS."

Morgan Stanley reported this information to the market, where it became part of the total mix of information affecting Symantec's stock price.

39. On October 25, 1995, Symantec issued a press release reporting revenues, net income and earnings per share of \$102.8 million, \$12.9 million and \$.31, respectively for its second quarter of fiscal 1996, ended September 29, 1995. These were very good results, showing strong revenue, net income and earnings per share growth from the same period in the prior year and from the prior quarter. The October 25, 1995 release also stated:

"THROUGH THE FIRST TWO MONTHS SINCE THE GENERAL RELEASE OF WINDOWS 95, WE ARE AMONG THE INDUSTRY LEADERS IN TERMS OF ATTACH-RATE TO WINDOWS 95 SALES," said Gordon E. Eubanks, Jr., president and CEO of Symantec Corporation. "OUR ESSENTIAL SYSTEM UTILITY SOFTWARE HAS PROMPTED MANY

- 29 -

CUSTOMERS TO BUY SYMANTEC PRODUCTS AT THE SAME TIME THEY BUY WINDOWS 95."

The October 25, 1995 release also stated that Symantec had signed a definitive agreement to acquire Delrina, subject to a shareholder vote.

40. On October 25, 1995, Eubanks and Bain also communicated with securities analysts and told them:

- Symantec's excellent second quarter results "EXCEEDED EXPECTATIONS."
- Symantec's excellent second quarter results were fueled by "STRONG SALES" of its Windows 95 utility products.
- Symantec's reported earnings per share would have been even higher had it not been for the company's "CONSERVATIVE APPROACH TO REVENUE RECOGNITION FOR WINDOWS 95 PRODUCTS."
- Symantec had also established "CONSERVATIVE" reserve levels, reserving not only against distributor inventory levels, but also against retail inventory levels, effectively only recognizing revenue or product sell-through at the retail level.
- These "CONSERVATIVE" practices would enable Symantec to report even higher than expected earnings per share in the last two quarters of fiscal 1996.
- The Windows 95 launch had been VERY SUCCESSFUL for Symantec and Symantec's outlook was for solid earnings per share momentum for the next 12-18 months.
- Symantec expected to achieve fiscal 1996 earnings per share of \$1.25+ with further gains in fiscal 1997 to \$1.40+.
- Symantec expected to achieve earnings per share of \$.33 in its third quarter of fiscal 1996 to end December 31, 1995, even though the Delrina acquisition was expected to cause some earnings dilution in that quarter.

Analysts reported this information to the market where it became part of the total mix of information affecting Symantec's stock price.

- 30 -

41. In late October, Symantec stock fell sharply from \$30-3/8 on October 24, 1995 to \$24-1/8 on October 31, 1995, due in part to concerns in the investment community that there might be excessive inventories of Symantec's Windows 95 utility products in the "channel." Symantec's executives were very concerned about this decline in Symantec stock as, if it continued, it could endanger stockholder approval of the Delrina acquisition, which was to be voted on in November 1995.

42. On October 31, 1995, Symantec executives met with securities analysts in connection with the American Electronics Association meeting in Monterey, California. During this meeting, Eubanks and Bain told analysts:

- Symantec's business was doing VERY WELL and sales of its Windows 95

utility products were MEETING OR EXCEEDING EXPECTATIONS.

- Symantec now expected its fiscal 1996 earnings per share would be approximately \$1.35.

Securities analysts reported this information to the market and it became part of the total mix of information affecting Symantec stock.

43. On or about November 9, 1995, Symantec executives communicated with Alex. Brown & Sons and assured it that:

- Symantec's Norton applications are doing "VERY WELL" in the marketplace, and that "ATTACH RATES" HAD INCREASED SINCE SEPTEMBER.

- Concerns over high inventory levels in the channel were UNWARRANTED as Symantec recognized revenue on its utilities product line only on sell-through plus 6 weeks and this reduced its exposure to product returns.

This information was reported to the market by Alex. Brown and became part of the total mix of information affecting Symantec stock price.

- 31 -

44. The positive reports referenced in Paragraphs 32-36, 38-40 and 42-43 helped to halt the decline in Symantec's stock price and stabilize it. On November 20, 1995, Delrina's shareholders voted to approve the acquisition of Delrina by Symantec.

45. On December 6, 1995, Symantec, through Eubanks, made a presentation at the Montgomery Securities Technology Conference and was interviewed by REUTERS, during which he stated:

- "[E]XCEPT FOR MICROSOFT CORP., NO SOFTWARE COMPANY STOOD TO GAIN AS MUCH FROM THE SALE OF MICROSOFT'S WINDOWS 95 OPERATING SYSTEM" AS SYMANTEC DID.

- "WE'RE GAINING MARKET SHARE BECAUSE OF WINDOWS 95. . . . Windows 95 is going to be a much bigger force than most people realize."

- Symantec expected calendar 1995 sales growth of "AT LEAST 30 PERCENT" over calendar 1995 and pre-tax profit growth of 18 percent over 1995.

- Eubanks also expected to see 18 percent pre-tax profit year-over-year growth beginning with the fourth quarter ending March 1996.

REUTERS and BLOOMBERG reported this information to the market where it became part of the total mix of information affecting Symantec stock price.

46. On or about December 7, 1995, Symantec's executives communicated with Donaldson, Lufkin & Jenrette and told them that:

- Symantec's business was doing "VERY WELL."
- The Windows 95 upgrade cycle was "GOING VERY WELL" for Symantec, resulting in "STRONG SALES" of its Windows 95 utility products.
- Symantec expected to benefit from the Windows 95 upgrade cycle for another 12-18 months.

Symantec stock rallied to a high of \$27-3/8 after Donaldson Lufkin reported this information to the market where it became part of the total mix of information affecting Symantec's stock price.

- 32 -

DISCLOSURE OF THE TROUBLED
NATURE OF SYMANTEC'S BUSINESS

47. In the last two weeks of December 1995, Symantec stock declined and then, on January 4, 5 and 8, 1996, Symantec stock plunged from \$22-1/2 to \$15-3/8 per share--a 32% decline--on 11 million shares volume, as information leaked into the marketplace that sales of Symantec's Windows 95 utility products might not be as strong as earlier indicated. On January 8, 1996, after the close of trading, Symantec shocked the market by revealing that its results for the quarter ending December 31, 1995 would be much worse than earlier forecast with little or no revenue growth from the second quarter and results from continuing operations likely to show a loss. The next day, Symantec's stock collapsed to \$10-1/8--a 34% one-day decline on huge volume of 15.9 million shares--the largest one-day percentage decline in its stock price on the largest one-day stock volume in Symantec's history. Eubanks admitted Symantec's earlier shortfall was due to poor sales and large returns of Symantec's Windows 95 utility products and poor sales of its products in Europe, admitting "WE HAD A TERRIBLE QUARTER. WE SCREWED UP." Analysts immediately cut their earnings forecasts for Symantec for the fourth quarter of fiscal 1996, fiscal 1996 as a whole and for fiscal 1997. Later, Symantec announced that its revenues for the December 1995 quarter were \$111 million (a decline from the third quarter) and that it actually suffered an operating loss of \$1.1 million!

48. Each of the positive statements about Symantec's business made by defendants during the Class Period was materially false and misleading when issued, and failed to disclose, INTER ALIA, the

- 33 -

following adverse information, disclosure of which was necessary to make the statements made not false and misleading, and which facts were then known only to defendants due to their access to internal Symantec corporate data:

(a) Symantec's Windows 95 utility software products (Navigator, AntiVirus and Utilities) were selling poorly at retail and below the levels forecast by the Company, which would result in large distributor/reseller returns of those products well in excess of amounts Symantec had reserved for OR in sharply diminished distributor/reseller reorders of those products, causing Symantec to not achieve the revenue and income growth forecast by and for it for the last half of fiscal 1996;

(b) Sales of Symantec's Windows 95 Utilities, Navigator and AntiVirus products were not meeting or exceeding Symantec's expectations and in fact were below expectations, due to (i) lower than anticipated sales of Windows 95; AND (ii) lower than anticipated "attach rates" of Symantec utility products to Windows 95, as Windows 95 came equipped with a large number of built-in utilities, thus diminishing the need for and attractiveness of Symantec's products;

(c) Symantec was not encountering a good "attach rate" with respect to the sale of its products along with Windows 95 and in fact the "attach rate" was below expectations because Windows 95 came equipped with a large number of built-in utilities, thus making Symantec's products less necessary or attractive to purchasers of Windows 95;

(d) Sales of Symantec's Windows 95 utility software products were not strong and were not beating or exceeding

- 34 -

expectations, and in fact, sales of such products at the retail level were weak and well below Symantec's expectations, meaning that Symantec's reserves for product returns by distributors and resellers were grossly inadequate;

(e) Sales of Symantec's enterprise products were weak and below internal goals and budgets;

(f) Symantec's European sales were well below Symantec's expectations and doing very poorly due to competitive pressures and localized negative economic factors;

(g) The problems identified in Paragraph 48(a)-(f) above, were causing Symantec to fall short of its planned revenue and earnings growth and made it impossible for Symantec to meet the revenue and earnings forecasts made by and for it for the third and fourth quarters of fiscal 1996 and fiscal 1996 as a whole;

(h) Symantec was not following a conservative approach with respect to revenue recognition on its Windows 95 utility products and in fact was improperly recognizing revenue on these products in violation of GAAP, thus inflating its financial results and concealing the poor sales or "attach rates" of these products and the deterioration of Symantec's business overall;

(i) Symantec's reported revenues and earnings per share for the first and second quarters of fiscal 1996 (ended June 30 and September 29, 1995) were artificially inflated due to the improper recognition of revenue via the accounting artifices and tricks detailed in this Complaint;

(j) Symantec's method of accounting for its Windows 95 utility products was not "conservative" or such that it would result in strengthening Symantec's reported profits in the last

- 35 -

half of fiscal 1996, but, in fact, the contrary was true, since Symantec was violating GAAP in the manner in which it was recognizing revenue in Europe and on the sale of its Windows 95 utility products, which would result in massive returns and/or reduced shipments of those products later on in fiscal 1996, hurting Symantec's reported profits;

(k) In order to cover up the weak sales of its Windows 95-related products, its enterprise products and its poor European results, Symantec was falsifying its reported financial results by improperly recognizing millions in revenue, thus inflating its reported revenues, income and earnings per share;

(l) It was not true that except for Microsoft no software company stood to gain as much from the sale of Microsoft Windows 95 operating systems as Symantec did as defendants knew that Windows 95 came equipped with a large number of built-in utilities and this diminished the desirability of or necessity for Symantec's products among purchasers of Windows 95 and this, in fact, was very adversely affecting retail sales of Symantec's Windows 95 utility products;

(m) Because defendants knew that Windows 95 would come equipped with a large amount of built-in utilities which would greatly diminish the need for and appeal of Symantec's stand-alone Windows 95 utility software product, Symantec's statement that it would be a major beneficiary from the Windows 95 upgrade cycle was known by defendants to be false;

(n) Defendants' positive forecasts and projections regarding Symantec's Windows 95 utility product line and its revenues or earnings growth during the balance of fiscal 1996 were

known by defendants to be false as they were inconsistent with the above negative factors; and

(o) Defendants' forecasts of increased earnings for Symantec in fiscal 1996 of \$1.25-\$1.35 and of earnings per share of \$.31-\$.33 for the third quarter of fiscal 1996, were known by defendants to be false as they were contradicted by the adverse facts set forth above.

SYMANTEC'S FINANCIAL MANIPULATIONS
AND FALSE FINANCIAL STATEMENTS

49. Much of Symantec's revenue came from sales to customers which have the right of return. Symantec's two largest distributors (Ingram Micro and Merisel) demanded that Symantec accept returns of unsold merchandise. Symantec also offered other customers return privileges in an effort to have those customers accept large amounts of inventory, especially of its Windows 95 utility products. During the quarter ended September 29, 1995, Symantec was selling a new product for Windows 95 for which Symantec had no experience and was selling it to many new customers. Thus, it was impossible for Symantec to reasonably estimate future returns. Based on the return privileges Symantec granted its customers and its inability to estimate future returns, Symantec should have deferred all such sales until the right of return expired. Rather than deferring revenue recognition for such sales, as required by GAAP under these circumstances, Symantec reserved only a portion of such sales, thus improperly inflating its reported results in the first and second quarters. During the quarter ended June 30, 1995, Symantec recognized revenue from

sales, including sales in Europe by Central Pointe, which were contingent on resale and the right of return had not expired.

50. During 1995, Symantec focused an enormous amount of attention on launching its utility software products to run on Windows 95 which was released in the summer of 1995. The success of these products (Norton Navigator, Utilities and AntiVirus) was extraordinarily important to Symantec as Symantec has experienced almost no revenue growth for nearly two years. The Windows 95 introduction was expected to provide this badly needed revenue growth for Symantec. In fact, the quarter in which Windows 95 and Symantec's associated utility products first shipped, the quarter ended September 29, 1995, represented the first real revenue growth Symantec had been able to report in a long time. Note the trend in Symantec's quarterly sales:

Symantec Corporation
Quarterly Sales

However, much, if not all, of Symantec's revenue growth in the June and September 1995 quarters came as the result of improper revenue recognition wherein Symantec recorded as revenue, sales to distributors, retailers and other resellers where their obligation to pay Symantec was contingent on their resale of the product and sales for which Symantec could not reasonably estimate future returns.

51. In the Form 10-Q for the quarter ended September 29, 1995, the notes to the financial statements contained the following representations:

The consolidated financial statements of Symantec Corporation ("Symantec" or the "Company") as of September 30, 1995 and for the three and six months ended September 30, 1995 and 1994 are unaudited and, in the opinion of management, CONTAIN ALL ADJUSTMENTS, CONSISTING OF ONLY NORMAL RECURRING ITEMS NECESSARY FOR THE FAIR PRESENTATION OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS FOR THE INTERIM PERIODS.

A similar paragraph was included in the Form 10-Q for the quarter ended June 30, 1995. These Form 10-Qs were signed by Dykes and Bain.

52. This statement was false and misleading as Symantec's results in the first and second quarters were artificially and improperly inflated by reporting revenue from purported sales which were contingent on resale, causing Symantec's financial statements to be presented in violation of GAAP.

53. GAAP are those principles recognized by the accounting profession as the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. Regulation S-X (17 C.F.R. 210.4-01(a)(1)) states that financial

statements filed with the SEC which are not prepared in compliance with GAAP are presumed to be misleading and inaccurate.

54. Because Symantec granted its customers significant rights to return product, its revenue recognition was controlled by Statement of Financial Accounting Standards ("SFAS") No. 48. SFAS No. 48, entitled "Revenue Recognition When Right of Return Exists," requires that six conditions of ALL be met for revenue recognition where the right of return exists. SEE SFAS No. 48, PARA 6. Otherwise, revenue recognition MUST be deferred until all these

conditions are satisfied.

55. In the quarter ended June 30, 1995, Symantec recognized material amounts of revenue on shipments to customers who had the right to return unsold product, including shipments Central Pointe made in Europe in the prior year, even though Symantec knew that the right of return had not expired on many of the shipments and much of the product was still in the channel. Symantec knew that such revenue recognition violated GAAP and SFAS No. 48.

56. In the quarter ended September 29, 1995, Symantec shipped large quantities of its utility products for Windows 95 to distributors, retailers and other resellers in anticipation of the introduction of Windows 95 in August 1995. In order to convince its customers to accept such large inventories of its products, Symantec offered the customers expansive rights to return unsold product and offered to help the customer sell the product to end-users. The Company knew such "sales" were not properly recognizable as revenue as the conditions of SFAS No. 48 had not been complied with. However, in order to report financial results in line with market expectations, the Company recognized the

- 40 -

revenue and merely reserved and deferred a small portion of the sales based on "inventories estimated to be in excess of levels deemed appropriate in the distribution channel." Thus, contrary to SFAS No. 48's clear and concise requirement that revenue be deferred until the contingency is removed, Symantec used an ambiguous and subjective standard of reserving for "estimated" returns or for excess channel inventory not "deemed appropriate." The amount of the Company's reserves was much lower than the amount of revenue which would have been deferred had the Company complied with GAAP and SFAS No. 48. Symantec was required to defer revenue by SFAS No. 48; Symantec's sales of these products failed to satisfy at least the following three requirements of SFAS No. 48, PARA 6.

(a) SFAS No. 48, PARA 6 (b): "The buyer has paid the seller, or the buyer is obligated to pay the seller and the obligation is not contingent on resale of the product." SEE ALSO AICPA Statement of Position ("SOP") 91-1 (Software Revenue Recognition), PARA 58, which discusses factors which a software seller should consider when selling to resellers, including:

Business practices, the reseller's operating history, competitive pressures, formal or informal communications, or factors that indicate that payment is contingent on the reseller's success in distributing individual units.

Many of Symantec's sales in the September 1995 Quarter were, in effect, contingent on resale. In addition to Ingram Micro and Merisel, Symantec has admitted that it also offered return privileges for unsold product to other

retailers and distributors. Nevertheless, in violation of SFAS No. 48, Symantec did not defer revenue recognition, but rather, Symantec only deferred net

- 41 -

revenues associated with distribution inventories estimated to be in excess of levels "deemed appropriate" in the distribution channel. This ambiguous standard was abused by Symantec to inflate its required results;

(b) SFAS No. 48 PARA 6 (e): "The seller does not have significant obligations for future performance to directly bring about resale of the product by the buyer." Symantec employed significant resources in assisting its resellers to "sell-through" Symantec's products. It has admitted that it employs a distribution sales group to work closely with its major distributor and reseller accounts on the management of orders, inventory level and sell-through to retailers, as well as promotions and selling activities. Symantec was either contractually obligated to assist in bringing about resale of products or it was doing so because it knew its sales were contingent on resale of its products by resellers/distributors and, in some instances, retailers; and

(c) SFAS No. 48, PARA 6 (f): "The amount of future returns can be reasonably estimated." SEE ALSO SOP 91-1.58:

Uncertainties about the potential number of copies to be sold by the reseller because of such factors as the newness of the product or marketing channel, competitive products, or dependence on the market potential of another product offered by the reseller, may indicate that profit cannot be reasonably estimated on delivery. If so, revenue should not be recognized until the vendor can reasonably determine that the transaction is viable for both parties or that the reseller is willing to honor and is capable of honoring the commitment to make the fixed payments.

At September 29, 1995, there were major changes in business conditions, customers and products which prevented Symantec from being able to reasonably estimate future returns. Thus, revenue from those transactions should have been deferred. The September

- 42 -

1995 quarter was the quarter in which Symantec first shipped its Windows 95 products in volume. While Symantec deferred some revenue associated with these sales and increased its allowance for returns, none of the revenue was properly recognized or recorded. Under GAAP, Symantec should have deferred all revenue associated with sales of its Windows 95-related utility products, which were contingent on resale, as Symantec could not actually estimate future returns for

the following reasons:

(i) Symantec's Windows 95-related products were new to the market and to Symantec. There was a serious question whether Symantec's utility program would even be necessary with Windows 95 since Windows 95 came with so many more built-in utilities than earlier versions of Windows;

(ii) Symantec was dealing with many new customers, new to both Symantec and to PC software sales. These smaller customers were less predictable both in terms of ordering practices and selling trends;

(iii) Symantec was selling enterprise systems which were subject to acceptance for many customers and, in fact, these sales were not going well; and

(iv) Price competition was becoming more severe, which would indicate a greater risk of returns, as customers became aware that they could get lower prices elsewhere.

57. Ultimately, Symantec's improper revenue recognition in the September 1995 quarter resulted in poor sales in the December 1995 quarter. THE SHORTFALL IN DECEMBER WAS QUITE REMARKABLE. WHILE WINDOWS 95 UTILITY PRODUCT SALES WERE \$43 MILLION IN THE

- 43 -

QUARTER ENDED SEPTEMBER 29, 1995, THEY WERE ONLY ABOUT \$22 MILLION IN THE QUARTER ENDED DECEMBER 30, 1995.

58. On January 8, 1996, when Symantec shocked the market with the announcement that its third quarter fiscal 1996 revenues -- the first quarter AFTER the shipment of its Windows 95-related utility products -- would be below prior forecasts and that operating income would only be, at best, slightly above breakeven, the explanations it provided to analysts were:

"THE PRIMARY REASON FOR THE REVENUE SHORTFALL WAS GREATER-THAN-ANTICIPATED RETURNS OF WINDOWS 95 ADVANCED UTILITIES (NORTON UTILITIES) PRODUCTS by small retail distributors following the company's large initial sell-in the September quarter -- \$20 MILLION OF SUCH PRODUCT CAME BACK."

Returns from secondary retailers (over-purchasing in August, returns in Q4).

Had Symantec properly deferred revenue recognition for sales which were contingent on resale, as required by SFAS No. 48, such huge returns would not have negatively impacted its reported third quarter fiscal 1996 earnings and its first and second quarters fiscal 1996 revenue and earnings would have been much

lower and shown little growth.

59. Due to these improprieties, the Company presented its results in a manner which violated the following generally accepted accounting principles, among others:

(a) The principle that financial reporting should provide information that is useful to present and potential investors and creditors and other users in making rational investment, credit and similar decisions was violated (FASB Statement of Concepts No. 1, PARA 34);

- 44 -

(b) The principle that financial reporting should provide information about the economic resources of an enterprise, the claims to those resources, and the effects of transactions, events and circumstances that change resources and claims to those resources was violated (FASB Statement of Concepts No. 1, PARA 40);

(c) The principle that financial reporting should provide information about how management of an enterprise has discharged its stewardship responsibility to owners (stockholders) for the use of enterprise resources entrusted to it was violated. To the extent that management offers securities of the enterprise to the public, it voluntarily accepts wider responsibilities for accountability to prospective investors and to the public in general (FASB Statement of Concepts No. 1, PARA 50);

(d) The principle that financial reporting should provide information about an enterprise's financial performance during a period was violated. Investors and creditors often use information about the past to help in accessing the prospects of an enterprise. Thus, although investment and credit decisions reflect investors' expectations about future enterprise performance, those expectations are commonly based at least partly on evaluations of past enterprise performance (FASB Statement of Concepts No. 1, PARA 42);

(e) The principle that financial reporting should be reliable in that it represents what it purports to represent was violated. That information should be reliable as well as relevant is a notion that is central to accounting (FASB Statement of Concepts No. 2, PARA 58-59);

- 45 -

(f) The principle of completeness, which means that nothing is left out of the information that may be necessary to ensure that it validly represents underlying events and conditions, was violated (FASB Statement of Concepts No. 2, PARA 79); and

(g) The principle that conservatism be used as a prudent reaction to uncertainty to try to ensure that uncertainties and risks inherent in business situations are adequately considered was violated. The best way to avoid injury to investors is to try to ensure that what is reported represents what it purports to represent (FASB Statement of Concepts No. 2, PARA 95, 97).

60. The undisclosed adverse information concealed by defendants during the Class Period is the type of information which, because of SEC regulations, regulations of the nation stock exchanges and customary business practice, is expected by investors and securities analysts to be disclosed and is known by corporate officials and their legal and financial advisors to be the type of information which is expected to be and must be disclosed.

DEFENDANTS' INSIDER SELLING

61. During April-July 1995, Symantec's insiders sold very little of their Symantec stock, selling less than 21,000 shares during this four month period, or about 5,000 shares per month. From January 1995 through July 1995, Symantec's insiders sold only about 57,200 shares -- about 8,200 shares per month. Symantec's insiders wanted to sell off large amounts of their Symantec shares at profitable prices before the market learned what they already knew, sales of Symantec's Windows 95-related utility products were

- 46 -

poor, its European sales were weak and it was falsifying its financial statements to conceal these adverse facts.

62. Thus, in August and September 1995, at the height of the Windows 95 hype and while Symantec's insiders were issuing false and misleading statements about Symantec's business, including its Windows 95-related products, defendants sold 382,899 shares of the Symantec stock they owned for proceeds of over \$12 million, to profit from the artificial inflation of Symantec's stock price their fraud had created before the truth became known and Symantec's stock price crashed. Notwithstanding their access to material non-public information as a result of their positions with the Company, the Individual Defendants sold the following amounts of Symantec shares at artificially inflated prices throughout the Class Period while in possession of material non-public information:

<TABLE>
<CAPTION>

NAME	DATE SOLD	SHARES SOLD	PRICE PER SHARE	PROCEEDS FROM SALE	OPTION PURCHASE PRICE
<S>	<C>	<C>	<C>	<C>	<C>

Eubanks, G.	08/09/95	9,700	\$29.38	\$ 284,986		
	08/09/95	15,300	\$29.75	455,175		
	08/09/95	5,000	\$29.78	148,900		
	08/23/95	30,000	\$30.80	924,000	30,000	\$.50
	08/23/95	75,000	\$30.80	\$2,310,000	75,000	\$1.00
		-----		-----		
Total:		135,000		\$4,123,061		
		-----		-----		
		-----		-----		

Boesenberg, C.	08/14/95	8,333	\$30.00	\$ 249,990	8,333	\$10.75
	08/15/95	24,031	\$30.00	720,930	24,031	\$10.75
	08/15/95	2,968	\$30.00	89,040	2,988	\$10.75
	08/18/95	10,000	\$31.15	311,500	10,000	\$16.16
	08/22/95	10,000	\$30.00	300,000	10,000	\$16.16
	08/23/95	10,000	\$31.00	310,000	10,000	\$16.16
	08/23/95	10,000	\$30.50	305,000	10,000	\$16.16
		-----		-----		
Total:		75,332		\$2,286,460		
		-----		-----		
		-----		-----		

Wang, E.	08/17/95	5,000	\$31.63	\$ 158,150	5,000	\$10.50
		-----		-----		
		-----		-----		

Bain, H.	08/18/95	10,000	\$31.63	\$ 316,300	10,000	\$11.00
	09/08/95	1,904	\$31.75	60,452	1,904	\$11.00
	09/08/95	1,430	\$31.75	45,403	1,430	\$11.00
	09/08/95	2,952	\$31.75	93,926	2,952	\$11.00
	09/08/95	3,714	\$31.75	117,920	3,714	\$11.00
	01/02.96	1,102	\$22.63	\$ 24,938		
		-----		-----		
Total:		21,102		\$ 658,939		
		-----		-----		
		-----		-----		

Taylor, E.	08/28/95	2,000	\$29.00	\$ 58,000	2,000	\$11.00
	08/28/95	675	\$29.00	19,575	675	\$11.00
	08/28/95	325	\$29.00	9,425	325	\$16.00
	08/30/95	7,000	\$28.00	196,000	7,000	\$16.00
	08/31/95	5,092	\$29.00	147,668	5,092	\$16.00
	08/31/95	5,218	\$29.00	151,322	5,218	\$16.00
	09/01/95	864	\$29.50	\$ 25,488	864	\$16.00
		-----		-----		
Total:		21,174		\$ 607,478		

		-----		-----		
		-----		-----		
Dykes, R.	09/01/95	24,652	\$30.64	\$ 755,337	24,652	\$16.94
	09/01/95	6,596	\$30.64	202,101	6,596	\$16.94
	09/01/95	11,808	\$30.64	361,797	11,808	\$16.94
	09/01/95	6,944	\$30.64	212,764	6,944	\$16.94
	09/01/95	50,000	\$30.64	\$1,512,000	50,000	\$12.75
		-----		-----		
Total:		100,000		\$3,043,999		
		-----		-----		
		-----		-----		
Laing, J.	09/01/95	6,148	\$31.00	\$ 190,588	6,148	\$11.00
	09/01/95	3,852	\$31.00	119,412	3,852	\$11.00
	09/01/95	1,400	\$31.00	43,400		
	01/02/96	100	\$22.88	2,288		
		-----		-----		
Total:		11,500		\$ 355,688		
		-----		-----		
		-----		-----		
Witte, D.	09/05/95	8,000	\$31.07	\$ 248,560	8,000	\$10.25
	09/05/95	1,822	\$31.07	56,610	1,822	\$11.00
	09/05/95	1,303	\$31.07	40,484	1,303	\$11.00
		-----		-----		
	09/05/95	2,153	\$31.07	66,894	2,153	\$11.00
	09/05/95	347	\$31.07	10,781	347	\$11.00
	09/05/95	3,093	\$31.07	96,100	3,093	\$13.25
	09/05/95	5,868	\$31.07	182,319	5,868	\$14.50
	09/05/95	93	\$31.07	2,890	93	\$14.50
	09/05/95	1,218	\$31.07	37,843	1,218	\$13.50
	09/05/95	750	\$31.07	23,303	750	\$13.50
	09/06/95	1,146	\$32.00	\$ 36,672		
		-----		-----		
Total:		25,793		\$ 802,456		
		-----		-----		
		-----		-----		
GRAND TOTAL:		394,901		\$12,036,231		
		-----		-----		
		-----		-----		

</TABLE>

63. This insider selling by the Individual Defendants was highly unusual, both in its timing and in its amount. These sales came just after the purported successful introduction of a major new product line by Symantec that was supposed to push its earnings higher for several quarters, presumably resulting in substantial appreciation in Symantec's stock price over that time period --

yet the defendants bailed-out at the very beginning. During the two months preceding August and September 1995, Symantec's insiders sold only about 3,000 shares of Symantec stock. In the prior four months, they sold only about 21,000 shares. In all of 1995, prior to their August-September selling spree, they sold only about 57,200 shares, or about 8,200 shares per month, contrasted with

- 48 -

382,899 shares sold in August-September insider bailout. Also, these stock sales took place just 90+ days BEFORE Symantec revealed "terrible" results from the sales of a new product line that defendants said was "meeting or beating expectations," while they were unloading their shares.

FIRST CAUSE OF ACTION
Violation of sections 25400 and 25500 of
the California Corporations Code

64. Plaintiffs incorporate PARA 1-63.

65. Acting individually and pursuant to a scheme and conspiracy and while aiding and abetting each other, defendants concealed and/or misrepresented material adverse information regarding Symantec. Defendant's wrongdoing included the making of and/or participation in the making of, untrue statements of material facts and the omission to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and engaging in acts, practices and a course of conduct which operated as a fraud and deceit upon plaintiffs and members of the Class in order to induce the purchase of Symantec stock by plaintiffs and the members of the Class, while Symantec and the Individual Defendants were selling Symantec stock.

66. Plaintiffs and the members of the Class have suffered substantial damages because, in reliance on the integrity of the market, they paid artificially inflated prices for Symantec stock. Plaintiffs and the members of the Class would not have purchased Symantec stock at the prices they paid, or at all, if they had been aware that the market price had been artificially and falsely

- 49 -

inflated by defendants' misleading statements and concealments. At the time of the purchases by plaintiffs and the members of the Class of Symantec stock, the fair market value of said stock was substantially less than the prices paid by them.

67. By reason of the foregoing, defendants violated Section 25400 of the Cal. Corp. Code, thereby entitling the members of the Class to recover damages

SECOND CAUSE OF ACTION

Violation of Sections 1709-1710 of
the California Civil Code

68. Plaintiffs incorporate Paragraphs 1-63, 65-66.

69. For the purpose of inducing public investors, including plaintiffs and other members of the Class, to purchase or otherwise acquire Symantec stock, and with intent to deceive such investors, the defendants employed a scheme and conspiracy to defraud and aided and abetted each other as a part of which said defendants made, participated in the making of, or aided and abetted the making of, misrepresentations of fact and concealed the true facts and omitted to state material facts as set forth above. Said representations and statements were not true and defendants did not believe them to be true. Said acts by defendants were fraudulent, oppressive and malicious.

70. Plaintiffs and the Class members each relied on one or more of the false statements alleged herein and were damaged thereby.

BASIS OF ALLEGATIONS

71. Plaintiffs have alleged the foregoing based upon the investigation of their counsel, which included a review of

- 50 -

Symantec's SEC filings, securities analysts' reports and advisories about the Company, press releases issued by the Company, media reports about the Company and discussions with consultants, and believe that substantial evidentiary support will exist for the allegations set forth in Paragraphs 1, 3, 6, 8, 10, 22-26, 28, 31, 33 and 48-50, 52, 53, 59-62 after a reasonable opportunity for discovery.

PRAYER FOR RELIEF

WHEREFORE, plaintiffs pray for judgment as follows:

1. Declaring this action to be a proper class action on behalf of the Class defined herein;
2. Awarding plaintiffs and the members of the Class compensatory and/or punitive damages;
3. Awarding plaintiffs and the members of the Class pre-judgment and post-judgment interest, as well as reasonable attorneys' fees, expert witness

fees and other costs;

4. Awarding extraordinary, equitable and/or injunctive relief as permitted by law, equity and the appropriate state law remedies; and

5. Awarding such other relief as this Court may deem just and proper.

JURY DEMAND

Plaintiffs demand a trial by jury.

DATED: March 11, 1996

MILBERG WEISS BERSHAD
HYNES & LERACH LLP
WILLIAM S. LERACH
ALAN SCHULMAN
BLAKE M. HARPER

/s/ WILLIAM S. LERACH

WILLIAM S. LERACH

- 51 -

600 West Broadway, Suite 1800
San Diego, CA 92101
Telephone: 619/231-1058

KAPLAN, KILSHEIMER & FOX, LLP
ROBERT N. KAPLAN
685 Third Avenue, 26th Floor
New York, NY 10017
Telephone: 212/687-1980

Attorneys for Plaintiffs

- 52 -

SUMMONS
(CITACION JUDICIAL)

FOR COURT USE ONLY

NOTICE TO DEFENDANT:

GORDON EUBANKS, CHARLES BOESENBERG, EUGENE WANG,
HOWARD BAIN, ELLEN TAYLOR, ROBERT DYKES, JOHN
LAING, DEREK WITTE and SYMANTEC CORPORATION

YOU ARE BEING SUED BY PLAINTIFF:

STEVEN COOPERMAN and ERIC D. FREED, IRA, On Behalf of
Themselves and All Others Similarly Situated

YOU HAVE 30 CALENDAR DAYS AFTER THIS SUMMONS IS SERVED ON YOU TO FILE A
TYPEWRITTEN RESPONSE AT THIS COURT.

A LETTER OR PHONE CALL WILL NOT PROTECT YOU; YOUR TYPEWRITTEN RESPONSE MUST
BE IN PROPER LEGAL FORM IF YOU WANT THE COURT TO HEAR YOUR CASE.

IF YOU DO NOT FILE YOUR RESPONSE ON TIME, YOU MAY LOSE THE CASE, AND YOUR
WAGES, MONEY AND PROPERTY MAY BE TAKEN WITHOUT FURTHER WARNING FROM THE
COURT.

THERE ARE OTHER LEGAL REQUIREMENTS. YOU MAY WANT TO CALL AN ATTORNEY RIGHT
AWAY. IF YOU DO NOT KNOW AN ATTORNEY, YOU MAY CALL AN ATTORNEY REFERRAL
SERVICE OR A LEGAL AID OFFICE (LISTED IN THE PHONE BOOK).

The name and address of the court is:

CASE NUMBER
CV756665

Santa Clara County Superior Court
191 North First Street
San Jose, CA 95113

The name, address, and telephone number of plaintiff's attorney, or plaintiff
without an attorney, is:

William S. Lerach
Milberg Weiss Bershad Hynes & Lerach
600 West Broadway, Suite 1800
San Diego, CA 92101
Telephone: 619/231-1058

DATE: MAR 18 1996

Clerk, by /s/ B. RHODES

STEPHEN V. LOVE Deputy

B. RHODES

[SEAL] NOTICE TO THE PERSON SERVED: You are served
1. / / as an individual defendant.

2. / / as the person sued under the fictitious name of (SPECIFY):

3. /x/ on behalf of (SPECIFY): Symantec Corporation

under: /x/ CCP 416.10 (corporation) / / CCP 416.60 (minor)
/ / CCP 416.20 (defunct corporation) / / CCP 416.70 (conservatee)
/ / CCP 416.40 (association or partnership) / / CCP 416.90 (individual)
/ / other:

4. / / by personal delivery on (DATE):

Form adopted by (See reverse for Proof Form 219 Co. Clk.
Rule 982 of Service) (Rev 1-84)

Judicial Council of California SUMMONS

[SANTA CLARA COUNTY SUPERIOR COURT LETTERHEAD] [SEAL]

CASE NUMBER: CV756665

NOTICE TO LITIGANTS

- 1. Timely filing and service of pleadings is required per Local Rule 1.1.5.
- 2. All parties are responsible to be acquainted with the Local Rules of Court and to acquire the proper forms. The rules and forms to be used by the litigants are available for purchase through:

FORMS AND RULES
Rose Printing Co.
20 N. First St., Ste. A
San Jose, CA 95113
(408) 293-8177

RULES
San Jose Post Record
90 N. First St., Ste. 100
San Jose, CA 95113
(408) 287-4866

- 3. Notice is given that the Case Management Conference has been scheduled as follows:

DATE: 07-16-96 TIME: 10:00 DEPT. 04

- 4. You must file and serve a completed Case Management Conference Questionnaire and At-Issue Memorandum at least ten calendar days before the

Case Management Conference per Local Rule 1.1.7.

5. Counsel for each party and each self-represented party shall attend and be fully prepared to participate effectively in the Case Management Conference per Local Rule 1.1.6(D).
6. At the Case Management Conference the court will evaluate each case as provided in the CRC 2106 and make appropriate pre-trial orders per Local Rule 1.1.6(D).

SANCTIONS

If you do not file the Case Management Conference Questionnaire and At-Issue Memorandum, attend the Case Management Conference and/or participate effectively in the conference, the court may impose sanctions (including the dismissal of the case and payment of money)

SYMANTEC CORPORATION
COMPUTATION OF NET INCOME (LOSS) PER SHARE

<TABLE>
<CAPTION>

(In thousands, except per share data)	Year Ended March 31,		
	1996	1995	1994
<S>	<C>	<C>	<C>
PRIMARY NET INCOME (LOSS) PER SHARE			
Net income (loss)	\$ (39,783)	\$33,409	\$ (44,421)
Interest on assumed conversion of convertible subordinated debentures, and assumed repayment of short-term and long-term borrowings and investment in U.S. government securities, net of income tax effect	--	468	--
Net income (loss), as adjusted	\$ (39,783)	\$33,877	\$ (44,421)
Weighted average number of common shares outstanding during the period	52,664	49,338	46,270
Shares issuable from assumed exercise of options	--	9,606	--
Shares assumed repurchased with proceeds, limited to 20% of total shares outstanding	--	(6,763)	--
Common and common stock equivalent shares outstanding for purpose of calculating primary net income (loss) per share	52,664	52,181	46,270
Primary net income (loss) per share	\$ (0.76)	\$ 0.65	\$ (0.96)
FULLY DILUTED NET INCOME (LOSS) PER SHARE			
Net income (loss)	\$ (39,783)	\$33,409	\$ (44,421)
Interest on assumed conversion of convertible subordinated debentures, and assumed repayment of short-term and long-term borrowings and investment in U.S. government securities, net of income tax effect	--	1,246	--
Net income (loss), as adjusted	\$ (39,783)	\$34,655	\$ (44,421)
Weighted average number of common shares outstanding during the period	52,664	49,338	46,270
Shares issuable from assumed exercise of options	--	10,031	--
Shares issuable from assumed conversion of convertible subordinated debentures	--	2,083	--
Shares assumed repurchased with proceeds,			

limited to 20% of total shares outstanding	--	(4,961)	--
	-----	-----	-----
Total shares for purpose of calculating fully diluted net income (loss) per share	52,664	56,491	46,270
	-----	-----	-----
Fully diluted net income (loss) per share	\$ (0.76)	\$ 0.61	\$ (0.96)
	-----	-----	-----

</TABLE>

<TABLE>
<CAPTION>

SYMANTEC CORPORATION
SUBSIDIARIES OF SYMANTEC

Name of Subsidiary -----	State or Country of Incorporation -----
<S>	<C>
AntiVirus Update (AVU) GmbH	Germany
Central Point Software Deutschland GmbH	Germany
Central Point Software, Inc. ("Central Point")	Delaware, USA
Contact Software International GmbH	Germany
CRS Online Ltd.	Canada
Delrina Corporation (Canada)	Canada
Delrina (Boston) Corporation	Massachusetts, USA
Delrina (Canada) Corporation	Canada
Delrina (Delaware) Corporation	Delaware, USA
Delrina (France) Corporation SARL	France
Delrina (Germany) GmbH	Germany
Delrina (Seattle) Corporation	Washington, USA
Delrina (UK) Corporation Limited	United Kingdom
Delrina (US) Corporation	Delaware, USA
Delrina (Washington) Corporation	Washington, USA
Delrina (Wyoming) Limited Liability Company	Wyoming, USA
Delrina International Corporation (Barbados)	Barbados
Fifth Generation Systems GmbH	Germany
Fifth Generation Systems PTE Ltd. (Singapore)	Singapore
Fifth Generation Systems SARL	France
1087013 Ontario Limited	Canada
Sym (UK) Holding, Ltd.	United Kingdom
Symantec (Canada) Ltd.	Canada
Symantec (Deutschland) GmbH	Germany
Symantec (Japan) KK (formerly Fifth Generation Systems KK)	Japan
Symantec (UK) Ltd. ("Symantec UK")	United Kingdom
Symantec Australia Pty. Ltd.	Australia
Symantec EURL (France)	France
Symantec Financing B.V. (Netherlands)	Netherlands
Symantec Foreign Sales Corporation (Barbados)	Barbados
Symantec Hong Kong Ltd. (formerly FGS Hong Kong Ltd.)	Hong Kong
Symantec Limited (Ireland)	Ireland
Symantec SRL (Italy)	Italy
Zortech (UK) Ltd.	United Kingdom
Zortech Limited ("Zortech")	United Kingdom

</TABLE>

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements (Form S-8 Nos. 33-31444, 33-32065, 33-33654, 33-37066, 33-42440, 33-44203, 33-46927, 33-51612, 33-54396, 33-55300, 33-64290, 33-70558, 33-80360, 33-88694, 33-60141, 33-64507 and Form S-3 Nos. 33-82012 and 33-63513) of our report dated April 24, 1996, with respect to the consolidated financial statements and schedule of Symantec Corporation included in the Annual Report (Form 10-K) for the year ended March 31, 1996.

ERNST & YOUNG LLP

San Jose, California
June 20, 1996

CONSENT OF PRICE WATERHOUSE, INDEPENDENT AUDITORS

June 20, 1996

The Board of Directors
Symantec Corporation:

We consent to incorporation by reference in the registration statements (No. 33-31444, No. 33-32065, No. 33-33654, No. 33-37066, No. 33-42440, No. 33-44203, No. 33-46927, No. 33-51612, No. 33-54396, No. 33-55300, No. 33-64290, No. 33-70558, No. 33-80360, No. 33-88694, No. 33-60141 and No. 33-64507) on Form S-8 and the registration statements on Form S-3 (No. 33-82012 and No. 33-63513) filed by Symantec Corporation of our report dated August 8, 1995, relating to the balance sheet of Delrina Corporation as of June 30, 1995, and the related consolidated statements of operations, retained earnings (deficit) and changes in financial position for the years ended June 30, 1995 and 1994 which appears in the Fiscal 1996 Form 10-K of Symantec Corporation and the Form S-8 of Symantec Corporation filed on or about June 26, 1996.

PRICE WATERHOUSE
Chartered Accountants

<TABLE> <S> <C>

<ARTICLE> 5

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM SYMANTEC CORPORATION'S ANNUAL REPORT ON FORM 10-K FOR THE PERIOD ENDED MARCH 31, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

<RESTATED>

<CIK> 0000849399

<NAME> SYMANTEC CORPORATION

<MULTIPLIER> 1,000

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