

ALTIRIS INC
Form DEFA14A
January 29, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Altiris, Inc.

(Name of Registrant as Specified in its Charter)

Payment of Filing Fee (Check the appropriate box):

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x No fee required.

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Filed by Altiris, Inc.

Pursuant to Rule 14a-12 of

the Securities Exchange Act of 1934

Subject Company: Altiris, Inc.

Commission File No.: 000-49793

The following presentation materials were used by officers of Altiris, Inc. and Symantec Corporation during a conference call with analysts and investors on January 29, 2007

Symantec To Acquire Altiris

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Forward Looking Statements

This presentation contains forward-looking statements regarding the financial and business results of Symantec and Altiris, including statements of expectations regarding consummation of the merger, projected growth for computing devices, benefits to Symantec from combining the Altiris

and Symantec businesses

and

cost savings opportunities for the combined company. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause each company's actual results, levels of activity, performance or achievements to differ materially from results expressed in or implied by this presentation, including, among others: whether the companies can successfully develop new products and the degree to which these gain market acceptance; the sustainability of recent growth rates, particularly in consumer products; the anticipation of the growth of certain market segments; the positioning of the companies' products in those segments; the competitive environment in the software industry; general market conditions; acquisition-related risks, particularly risks relating to integrating the two companies; fluctuations in currency exchange rates; and changes to operating systems and product strategy by vendors of operating systems.

Additional information concerning these and other risk factors is contained in the Risk Factors sections of Symantec's Form 10-K for the year ended March 31, 2006, and in its Form 10-Q for the quarter ended September 29, 2006, and of Altiris's Form 10-K for the year ended December 31, 2005 and its Form 10-Q for the quarter ended September 30, 2006, each filed with the Securities and Exchange Commission.

We assume no obligation to update any forward-looking information contained in this presentation.

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GAAP to Non-GAAP Reconciliation

In addition to reporting financial results in accordance with generally accepted accounting principles,

or
GAAP,
Symantec
and
Altiris
report
non-GAAP financial results.

Investors are encouraged to review the reconciliation of these non-GAAP financial measures to the comparable GAAP results, which can be found in the exhibits at the end of this presentation and on the investor relations websites of Symantec and Altiris.

Symantec's non-GAAP information excludes amortization of all acquisition-related intangibles, restructuring charges and certain stock-based compensation expenses. In addition, Symantec's combined non-GAAP financial results include the historical results for Symantec and Veritas for comparative fiscal periods, deferred revenue that has been eliminated from Symantec's GAAP results as part of the purchase accounting for the acquisition of Veritas, and adjustments related to the fair value of the assets acquired and liabilities assumed as part of the acquisition, and exclude certain non-GAAP expenses, net of tax.

Altiris
non-GAAP information excludes amortization of acquired core technology, amortization of intangible assets, restructuring charges and stock-based compensation expenses, net of tax.

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Strategic Rationale

Leverages core competitive strengths

The most secure endpoint is a well-managed endpoint

A shared focus on the endpoint (desktops, laptops, servers, converged devices)

Complementary channels

Targets same IT buyer

Strengthens SME presence

Respective OEM partnerships with HP and Dell are complementary

Capitalizes on future technology trends

Virtualization, Intel vPro, mobile devices, Software-as-a-service

5
Endpoint
Security and
Compliance
Endpoint
Management
The Most Secure Endpoint

Is A Well-Managed Endpoint

6
Why Is The Endpoint
Important To Symantec?
Protecting
Infrastructure
Protecting
Information

Protecting
Interactions

The endpoint is a critical component of IT infrastructure; virtualization and mobile device growth will increase endpoint proliferation

The endpoint is a main point of vulnerability and data leakage

The endpoint is the primary portal to the enterprise

Type of Interaction and Communication

7
Number Of Endpoints
Are Proliferating
15
10
5
300

200
100
Desktops
Laptops
Servers
Mobile
Devices
In millions
In millions
In millions
CAGR = 9.9%
CAGR = 11.5%
CAGR = 29.1%

2005
2006
2007
2008
2009
2010
300
200
100
400
2005
2006
2007
2008
2009
2010
2005
2006
2007
2008
2009
2010

Source: IDC, Worldwide Virtual Machine Software 2006-2010 Forecast, September 2006, Doc #203213, IDC, Worldwide C
Forecast Update: December 2006, Doc #204830, IDC, Worldwide Handheld Device 2006-2010 Forecast Update: December 2
Mobile Phone 2006-2010 Forecast Update: July 2006, Doc #202769

8
Symantec and Altiris:
A Total Endpoint Solution

Best-in-class endpoint management suite

Leverages core competitive strengths of Symantec (security

and compliance) and Altiris (discover, remediate and manage)

Limited direct competition from centralized systems vendors

Identify

Analyze threats

Identify exposure

Prioritize risks

Protect

Update signatures

Issues patches

Block attacks

Repair

Disinfect

Deploy updates

Backup / recover

Enforce

Scan endpoints

Quarantine endpoints

Track compliance

9
Protect
Repair
Enforce
Identify
Real World Example:
A New Threat Is Discovered

Identify

Analyze threats

Identify exposure

Prioritize risks

Vulnerable endpoints identified

Symantec DeepSight provides visibility

Altiris CMDB identifies exposure

Potential configuration conflicts analyzed

Vulnerable endpoints

10
The Threat Is Contained
Protect
Repair
Enforce
Identify
Protect

Update signatures

Issues patches

Block attacks

Signatures and patches delivered

Symantec signatures updated

Patches applied via Altiris infrastructure

Ongoing protection from multiple attack
vectors

11
Endpoint Is Immunized
Protect
Repair
Enforce
Identify
Repair

Disinfect
Deploy updates
Backup / recover

Disinfection and software updates

Symantec Client Security disinfects
endpoints

Altiris delivers critical updates

Virtualization simplifies deployment

CMDB updated

12
Policy Enforcement
Keeps The Network Safe
Protect
Repair
Enforce
Identify

Enforce
Scan endpoints
Quarantine endpoints
Track compliance

New policy is enforced

Symantec Control Compliance Suite and
Symantec endpoint compliance technology

Altiris
Task Manager asset and workflow
management

Vulnerable machines are quarantined

Network is kept safe

13
Procurement
Deployment
Production
Retirement
Asset
Discovery

License
Management
Deployment /
Configuration
Packaging
And QA
Software
Distribution
Security and
Compliance
Patch
Management
Backup /
Recovery
Asset
Tracking
Problem
Resolution
Software
Updates
Strong Product Fit
Altiris
Workflow and CMDB
(Service & Asset Management Suite)
Applications
Virtualization
Operating
System
CPU (Intel vPro)
Client Management
(Client Management Suite)
Service/Help Desk
(Service Desk Solution)
Server Management
(Server Management Suite)
Virtualization
(SVS and
virtual systems management)
Endpoint Security
(Antivirus, Client Security)
Compliance Management
(Control Compliance Suite /
endpoint compliance technology)
Backup and Recovery
(Backup Exec)
Archiving
(Enterprise Vault)
Endpoint
Symantec
Migration

Securing and Managing the Endpoint

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Distribution Synergies

Targets same IT buyers

Security and IT administration functions are converging

Strengthens Symantec's SME focus

Complementary channel strengths

Additional products through the Symantec channel worldwide

Synergistic OEM relationships

Additional account penetration through direct sales

15
Capitalizes On Future
Technology Trends

Virtual desktop environments

Virtual systems proliferation

Altiris enables management of virtual desktops

Altiris
SVS revolutionizes desktop application management

Virtualized applications streamline operations and reduce support costs

Mobile endpoints

Mobile device proliferation

Mobile devices need to be managed

Software-as-a-service

Altiris products are service-enabled
for on-premise or on-
demand delivery

16
The Endpoint is the
New Perimeter
Common CMDB and Management Infrastructure
Data Center
Endpoints
Mobile

Laptops
Thick Client
Desktops
Virtual
Desktops
Mobile
Devices
Applications
Data and
Storage
Pervasive
Network

17

Deal Structure

\$33 per share, or approx. \$830 million, net of cash
acquired

100% cash financed from current sources of liquidity

The transaction is expected to close during the second calendar quarter of 2007

This transaction is expected to be accretive to Symantec's FY08 operating plan

Financial

Terms

Altiris stockholder approval

Regulatory and other customary approvals

Conditions

New business unit led by Greg Butterfield, CEO of Altiris

Operational

Structure

18
Trailing Twelve Month
Income Statement
(a)
(a)
Symantec
trailing

twelve
month
results
(TTM)
ended
December
31,
2006.
Altiris
TTM
results
ended
September
30,
2006.
(*).

These are non-GAAP results. Both companies provide GAAP as well as non-GAAP results. Please see the appendix for GAAP reconciliation for each company.

\$25* M

\$1,033* M

Net Income

15.3*%

27.5*%

Operating Margin

\$33* M

\$1,425* M

Operating Income

79.3%

83.7*%

Gross Margin

\$170 M

\$4,336* M

Gross Profit

\$215 M

\$5,180* M

Revenue

19
Identified Cost Savings

G&A cost savings

Public company costs

Facilities consolidation

Duplicative systems

R&D cost savings

Rationalize product offerings

Common development efforts

Distribution synergies

Leverage Symantec's global presence

20
Balance Sheet
(a)
(a)
Symantec
results
are

as
of
December
31,
2006.

Altiris
results

are

as

of

September

30,

2006.

(*)

These are non-GAAP results. Symantec provides GAAP as well as non-GAAP results. Please see the appendix for GAAP to reconciliation of deferred revenue.

965

17,396

Headcount

76

51

DSOs

\$2 M

\$2,100 M

Debt

\$61 M

\$2,489* M

Deferred Revenue

\$177 M

\$2,978 M

Cash and Short-Term

Investments

21
Trailing Twelve Month
Cash Flow Statement
(a)
(a)
Symantec
trailing

twelve
month
results
(TTM)
ended
September
30,
2006.
Altiris
TTM
results
ended
September
30,
2006.
\$4 M
\$304 M
Capital Expenditures
\$31 M
\$1,621 M
Cash Flow From Operations
\$10 M
\$105 M
Stock Compensation
\$15 M
\$775 M
Depreciation & Amortization

Symantec
Altiris
22
Symantec Corporation
Summary

The most secure endpoint is a well-managed endpoint

Symantec and Altiris
leverage respective competitive
strengths

Symantec: endpoint security, compliance and backup

Altiris: endpoint management and remediation

Combined, we create the most comprehensive endpoint
suite available

Complementary channel strengths through VARs, SIs,
and OEMs

Focus on the SME segment

We expect this transaction to be accretive to our FY08
operating plan

Appendix

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Symantec Statement of Operations
Reconciliation
NOTES:
The
above
information

reflects
the
financial
results
of
Symantec
Corporation.

Symantec
acquired
Veritas
Software
Corporation

on
July
2,
2005.

The
results
of
operations
of
Veritas

have been included in the Symantec results of operations beginning on July 2, 2005.

\$1,032,950

Non-GAAP net income

(16,768)

Gain on sale of building (I)

(219,261)

Income tax effect on non-GAAP adjustments (J)

351,965

Operating expense adjustment

466,254

Gross profit adjustment

\$450,760

GAAP net income

NET INCOME (LOSS):

\$1,424,974

Non-GAAP operating income

351,965

Operating expense adjustment

466,254

Gross profit adjustment

\$606,755

GAAP operating income

OPERATING INCOME:

\$2,911,154

Non-GAAP operating expenses

(351,965)

Operating expense adjustment

(201,916)

Amortization of other intangible assets (G)
(587)
Integration (F)
(23,904)
Restructuring (E)
(1,100)
Acquired in-process research and development (H)
(115,263)
Stock-based compensation (D)
(9,195)
Executive incentive bonuses (C)
\$3,263,119
GAAP operating expenses
OPERATING EXPENSES:
\$4,336,128
Non-GAAP gross profit
466,254
Gross profit adjustment
12,982
Stock-based compensation (D)
346,229
Amortization of acquired product rights (B)
107,043
Fair
value
adjustment
to
Veritas
deferred
revenue
(A)
\$3,869,874
GAAP gross profit
GROSS PROFIT:
\$5,179,802
Non-GAAP net revenues
107,043
Fair
value
adjustment
to
Veritas
deferred
revenue
(A)
\$5,072,759
GAAP net revenues
NET REVENUES:
Twelve Months Ended 12/31/06
(In

thousands) (Unaudited)

26
Symantec Deferred Revenue
Reconciliation
Fair
value
adjustment
to

Veritas
deferred
revenue

(*)

25,448

(**) We believe that providing the non-GAAP item set forth above is useful to investors, and such item is used by our management, for the reasons associated with the adjusting item as described above.

(*)

Fair
value
adjustment

to

Veritas
deferred
revenue.

We

include
revenue
associated
with

Veritas

deferred revenue that was excluded as a result of purchase accounting
adjustments

to

fair
value

because

we

believe

it

is

reflective

of

ongoing

operating

results.

\$ 2,487,970

Non-GAAP Deferred Revenue (**)

Add back:

\$ 2,462,522

GAAP Deferred Revenue

December 31, 2006

(In thousands) (Unaudited)

DEFERRED REVENUE:

27
Altiris
Statement of
Operations Reconciliation
25,273
Non-GAAP Net Income
(4,621)

Tax effect
10,076
Stock-based compensation
166
Restructuring charges
3,990
Amortization of intangible assets
7,301
Amortization of acquired core technology
Add back:
8,361
GAAP Net Income
32,747
Non-GAAP Operating Income
10,076
Stock-based compensation
166
Restructuring charges
3,990
Amortization of intangible assets
7,301
Amortization of acquired core technology
Add back:
11,213
GAAP Operating Income
170,128
Gross Profit
214,595
Revenue
Twelve Months Ended 9/30/06
(In thousands) (Unaudited)

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Additional Information and
Where You Can Find It

Altiris
intends to file with the Securities and Exchange Commission preliminary and definitive proxy
statements and other relevant materials in connection with the transaction. The proxy statement will

be mailed to the stockholders of Altiris. Before making any voting or investment decision with respect to the transaction, investors and stockholders of Altiris are urged to read the proxy statement and the other relevant materials when they become available because they will contain important information about the transaction, Altiris and Symantec. Investors and security holders may obtain free copies of these documents (when they are available) and other documents filed with the Securities and Exchange Commission (the "SEC") at the SEC's web site at www.sec.gov. In addition, investors and security holders may obtain free copies of the documents filed with the SEC by Altiris at

its
corporate
website
at
www.altiris.com
under
Company-Investor
Relations
or
by
contacting
Investor Relations at Altiris, Inc. 588 W. 400 S., Lindon, UT 84042.

Altiris
and its officers and directors may be deemed to be participants
in the solicitation of proxies
from Altiris
stockholders with respect to the transaction. A description of any interests that these
officers
and
directors
have
in
the
transaction
will
be
available
in
the
proxy
statement.

In
addition,
Symantec may be deemed to have participated in the solicitation of proxies from Altiris
stockholders in favor of the approval of the Agreement. Information concerning Symantec's
directors and executive officers is set forth in Symantec's proxy statement for its 2006 annual
meeting of stockholders, which was filed with the SEC on July 25, 2006, Annual Report on Form
10-K for fiscal 2006 and Current Report on Form 8-K filed on January 22, 2007. These documents
are
available
free
of
charge
at
the
SEC's
web
site
at

www.sec.gov
or
by
going
to
Symantec's
Investor
Relations
page
on
its
corporate
website
at
www.symantec.com.

