

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.**

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(Name of Registrant as Specified in its Charter)

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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

2

#### 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.

3  
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.



4

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

14

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



24  
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)

28  
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](http://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.

