

**REMARKS BY ART WONG  
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It's an honor to be here with you today. Growing up, I always dreamed of being introduced to an eager audience. But, in my dreams, it was not at an IT conference, but in an arena full of ice hockey fans.

See, in addition to my duties at Symantec, I also skate two times a week on a local ice hockey team. It's a great game – and a great league. Only in Silicon Valley can you spend all day trying to out-compete a company down the road – and then at night, find yourself messing it up in the corners with that company's CEO.

At times, it can get rough. At one point, I had the dubious distinction of having the most penalty minutes for fighting in my league.

And while I may have scars on my knuckles, I always protected myself – in fact, after years of hockey, I am proud to say that I still have all of my very own teeth.  
Pause

Getting into the thick of things without damaging your valuable assets – that's my goal on the ice as a hockey player, and off the ice as part of the team at Symantec.

A business will only go online and begin to use all the applications and services provided on it if they can be sure that they won't get harmed.

Of course, no one is going to lose their front teeth going on-line. But they can lose valuable data such as their customer database or latest report...or confidential data such as credit card numbers and bank account information.

Ultimately, only if users believe that their critical information will be secure will they entrust it to vendors, partners, and suppliers.

This trust is the critical part of the equation -- and it's why Symantec is committed to enabling customers to have confidence in the connected world.

Think about the ease with which we collaborate online, work remotely, and engage in multi-party transactions – and the new business models that these activities are creating.

Think about the huge potential for efficiencies and growth that comes to businesses that are able to embrace these models.

More than anyone, the people in this room know the huge potential that software-as-a-service has as a driver of growth -- and as a provider of essential services to small- and medium-sized businesses.

For all of this to work, we need confidence.

We know that the future is bright for software-as-a-service. Anyway you look at it, you can't imagine the future of IT without online-delivered services.

Based on current trends, Gartner predicts that by 2011, 25 percent of new business software will be delivered as software-as-a-service. And IDC estimates that worldwide revenue from software-as-a-service will hit \$4.6 billion by 2010, with a compound annual growth rate of 18 percent.

What's driving this growth?

At one level, there are technical advances making the next generation of the web a reality – advances you're probably familiar with.

At another level, people are starting to see the Internet morph into an even more powerful tool whose most useful applications and services exist outside of the organization's firewall. They are seeing the web as not just a resource or a conduit for communication, but as an environment in which to operate.

At the same time, many purchasers of IT are under intense pressure to cut costs.

And they want to reduce risk – and that includes having a more predictable idea of what an organization's software will cost over time.

They don't want to pay for unneeded capacity, and they want the flexibility to ramp up when business is good – and reduce costs when it is not.

Software-as-a-service gives businesses – especially smaller ones – this flexibility. It gives them the ability to expand their reach... and to access services that they probably couldn't afford on their own.

Most importantly, online-delivered services free them to focus on running their business. After all, IT solutions should help companies run. Businesses should not be a slave to IT.

The potential is limitless. But to make business on and over the web work, confidence is the critical component.

Confidence that vital data will be protected is necessary if online-delivered services are to meet – or exceed – the lofty expectations that we have for them.

And I believe that this level of confidence can be delivered through online-delivered services...that software-as-a-service can move beyond business applications to infrastructure functions – such as securing and storing data.

Looking at the changing threat landscape...the risks that organizations are facing in their daily operations...the increased willingness businesses have to do more online...and the growing capabilities providers have – I have no doubt that the time has come for this next step in online-delivered services.

Indeed, if customers have a vendor that they trust, software-as-a-service can become an integral part of the protection that enterprises need to operate in the emerging online world.

That's why today I want to talk with you about how we can create confidence in the connected world so that software-as-a-service can thrive and businesses of all sizes can tap into the opportunities that the online world creates. Then, I'd be happy to take your questions.

One of the reasons that the time is right for online-delivered infrastructure is that the threat landscape is changing – and changing fast.

For instance, just a few years ago, the threats were fast-moving viruses and worms. Now, the threats are phishing, identity theft, and malicious or careless users.

Hackers are no longer content with just disabling a computer or network. Criminal elements now are going after what is truly valuable in this day and age – personal and proprietary information. And they are looking to use it for serious financial gain.

In fact, according to the latest Symantec Internet Security Threat Report, threats to confidential information made up 66 percent of the top 50 malicious code incidents over the last six months of last year. This is an 18 percent increase over the first half of that year.

Information is being targeted because information is the lifeblood of any enterprise. Even businesses as seemingly low-tech as auto repair shops and Laundromats depend on IT – whether it's accessing online repair manuals or keeping a database of customers.

In such a world, the servers, desktops, and routers can be replaced. Information, often, can not.

I remember about 10 years ago when I was working at a company developing computer games. Even then I realized where the true value of the company lay...and how vulnerable it was.

The assets of our company were all digital bits and bytes. Yet, we were using different types of systems to run various applications. There was a lot of access to the Internet, transfer of files, and collaboration between different people – and this was before the widespread use of broadband, Wi-Fi, and portable devices to access the web.

I remember looking at our security and wondering: what would happen if someone got into it? What would happen if we were to lose this information? Our company would be unable to make deadlines -- to be productive and to even communicate. We would be pretty much out of business.

Flash forward to today and securing this information is an even more complex undertaking. Wireless devices, more online collaboration, and the increase in the number of people – from customers to suppliers – who can access your system has redefined what needs to be secured...and how we secure it.

Online-delivered services rely on this very openness.

That's why it's so important that people are confident about the level of security, reliability, and the behind-the-scenes infrastructure supporting any online-delivered offering. Because only when there's confidence, will they embrace these services.

Interestingly, this new software-as-a-service environment also presents an opportunity... because for many businesses, online-delivered services are the only way that they may be able to get the protection they need to operate in the evolving threat landscape.

Let me explain.

From the perspective of the enterprise, ensuring that the data generated and received daily is backed-up and readily recoverable is the ultimate insurance policy against malicious users, an outside attack, a natural disaster, or just a routine accident.

Moreover, making sure that critical data is secure and available is not only essential – for many businesses, it's mandatory as new regulations demand that this data is archived, retained, and recoverable -- often for a number of years.

From the perspective of your customers and partners, knowing that their data is being stored securely is critical for them to take the step of entrusting this information with an organization. It is an essential component for building confidence.

Large companies recognize this, and they already have the data centers, the personnel, and the resources to back-up their data and make sure that it's recoverable when and if they need it.

But what about small- and medium-sized businesses?

We estimate that half of all the small- and medium-sized businesses are not doing any backup whatsoever.

And among the half that is backing up, they are predominantly using outdated software that is difficult to manage across different systems, different machines, and even different storage media.

The software very likely may not work when they need to do a recovery. But most wouldn't know that because they're not routinely testing their software anyway.

Many others who are backing up are technically copying their data, but they are not following best practices.

You know the type. At the end of the day, they back-up onto a tape or a few CDs, and store it next to the machine.

If the data goes off-site, at best – it's thrown into the boss's or admin's trunk.

So, if there is sustained downtime or if even a disaster, these businesses don't know if the backup worked or if the backup media have been damaged. They're not sure if they have the right software to recover the data they need right now. And that's critical.

You may just need a small part of your data. Well, on which tape is it stored? How do you find it?

And every hour that a small business spends searching for the right data and trying to figure out how to restore it, is another hour offline -- not serving customers and hurting their reputation.

Of course, it's a lot to ask a small- or medium-sized business to have a backup regime that is on par with those found at Fortune 500 companies. Installing and managing such a system is not only difficult, but usually cost-prohibitive.

Yet these smaller organizations need backup. They need to protect their information in order to keep their businesses up and running...and to be able to use the online technologies that are driving growth.

And that's why Symantec developed -- and is unveiling today -- the Symantec Protection Network, a platform to deliver complete IT infrastructure protection online specifically to small- and medium-sized businesses.

Through the Symantec Protection Network pipeline, we will offer a whole suite of security and availability services that we currently offer as software.

Over time, small- and medium-sized businesses -- through the power of software-as-a-service -- will be delivered enterprise-class service without enterprise complexity.

This new platform is easy-to-use, easy-to-manage, and cost-effective. Enterprises that use the Symantec Protection Network will benefit from one common portal and one common framework through which to access a whole range of online services.

The first product we are offering through this platform is online backup. Users will have on-demand access – with the ability to manage and monitor their back-up and disaster recovery from any Internet connection... anywhere. This solution is simple, secure, and available.

We believe delivering online backup and data recovery is just the tip of the iceberg of what can be delivered through the Symantec Protection Network.

Yet we are rolling it out first because it is one of the services most in demand.

One-half of small firms and 60 percent of medium-sized firms say that storage management is their number-one challenge. After all, backup and data recovery are complex, costly, and ever-changing functions.

This online-delivered application gives them the tools to meet that challenge. They don't need to hire new staff, to manage a complex environment, or buy costly hardware.

With some estimates placing total cost of ownership savings of software-as-a-service applications at 20 to 40 percent, this solution will have a significant cost advantage over resident solutions.

The time is right for this move.

Information has never been more critical to businesses. And with the proliferation and growth of Web 2.0, we are going to see a major shift over the next five years towards doing backup, archiving, discovery, recovery, and security through software-as-a-service and on-demand models.

With that in mind, software-as-a-service and security is a natural combination. A dynamic environment like security makes huge demands on those trying to secure data. You constantly have to update, tweak, and improve what you have to stay one step ahead of threats and hackers.

With online-delivered solutions, like Symantec Protection Network, it means that you don't have to use valuable time and resources to implement the next software upgrade – nor do you have to suffer through business disruption during any upgrade.

The customer is always current – and never has to take one minute of their time to install upgrades...or keep track of which machines are up-to-date...or whether or not some versions of a program are compatible with an upgrade.

And all your data is secured off-site in a Symantec facility. And that's important.

We know we can provide the reliability and security that small- and medium-sized businesses are looking for in an online-delivered application. After all, we've been doing it for years.

In fact, through our managed service offerings and Live Updates to the programs used to protect consumers, we've been protecting more than 370 million computers and email accounts worldwide.

Some companies may offer one discrete security or availability service via the web. But none will – or can – deliver a whole range of mutually-reinforcing services. And none trying to do so have the expertise, experience, and stability that Symantec does.

Customers trust our brand. The nearly 2 million customers who use our backup products worldwide know that when they need to access their data, that we will be there for them – whether it's in 10 months or 10 years time.

And we will do everything we can to maintain and deepen that trust.

Of course, traditional software-as-a-service offerings have usually been associated with the application tier of IT – such as CRM, HR, and accounting apps.

Yet we believe that we have reached the point where these offerings can – and should – be extended to overall infrastructure needs as well – beginning with online backup – and then moving to an even greater number of offerings around security and availability.

As Forrester Research pointed out in a recent paper, times have changed – even from just a few years ago when storage service providers tried to offer an early form of this service.

First, there are lower disk costs. The cost of disk storage has been declining by as much as 30 percent per year for the past several years – driving up capacity as well as cost-effectiveness.

Second, storage management software has improved – increasing the number of terabytes that a single administrator can manage and service.

Third, vendors have optimized their backup and replication technologies to operate over the WAN and high-speed networks that, increasingly, seem to be everywhere.

Finally, the attitudes of the market have changed. Businesses are increasingly comfortable conducting business online and outsourcing critical functions to a trusted provider. And as I mentioned earlier, they are searching for cost-effective ways to lower their IT budget so they can focus on innovation and growth.

Simply, the Symantec Protection Network – with the online backup offering -- provides a solution that is easy-to-use, secure, and available. It delivers proven technologies from a trusted market leader to small-and-medium sized businesses.

We are excited about these new offerings -pause- and our partner community is ready to deliver this solution in a way that is tailored to our customer base. We have been working

with them for almost a year now to make sure that when the Symantec Protection Network launched that they were ready to deliver it in such a way that puts customer satisfaction first.

Over time, we will make available to our partners multiple offerings through the Symantec Protection Network. At the same time, they will be able to complement these offerings with their own technology and service add-ons. It's a win-win situation-- they grow our business, and we help our partners grow theirs.

Beyond what this new service can deliver to our company and our customers, we believe so strongly in the Symantec Protection Network because – as an online-delivered service – it is the future of IT.

In light of the new threats they face and the risks they run, small- and medium-sized businesses need new security and availability solutions. And online-delivered infrastructure solutions can deliver these solutions in a way that is efficient and effective.

And they need a trusted provider that can deliver these services in a way that is convenient, reliable, and scalable.

We believe that we can do that. And we at Symantec are looking forward to serving these customers because, ultimately, this will help them have confidence in the connected world.

Because when more organizations – especially the millions of small- and medium-sized businesses – are safely securing and storing valuable information, more customers and partners will be comfortable entrusting them with their data.

When more companies have confidence that their sensitive information is secure, they'll embrace new, online ways of doing business...including cost-efficient ones such as software-as-a-service.

And when that happens...that's when the full potential of the online world will be realized – from the convenience it gives consumers to the efficiencies and value it creates for companies.

Thank you.