

Edgar Filing: LEGATO SYSTEMS INC - Form 425

LEGATO SYSTEMS INC

Form 425

October 14, 2003

Filed by EMC Corporation
Pursuant to Rule 425 under the Securities Act of 1933
Subject Company: Legato Systems, Inc.
Commission File No. 000-26130

This filing relates to the proposed merger ("merger") pursuant to the terms of that certain Agreement and Plan of Merger, dated as of July 7, 2003 (the "Merger Agreement"), by and among EMC Corporation ("EMC"), Eclipse Merger Corporation, a wholly owned subsidiary of EMC, and Legato Systems, Inc. ("Legato"). The Merger Agreement is on file with the Securities and Exchange Commission as an exhibit to the Current Report on Form 8-K filed by EMC on July 8, 2003, and is incorporated by reference into this filing.

The following is a Company information summary.

Additional Information and Where to Find it

On September 12, 2003, EMC filed a registration statement on Form S-4 with the U.S. Securities and Exchange Commission (the "SEC") containing a definitive proxy statement/prospectus regarding the merger. Investors and security holders of EMC and LEGATO are urged to read the registration statement, the proxy statement and any other relevant documents filed with the SEC by EMC and/or LEGATO because they contain important information about EMC, LEGATO and the merger. Investors and security holders may obtain a free copy of the registration statement, the proxy statement and any other relevant documents filed with the SEC by EMC and/or LEGATO at the SEC's website at www.sec.gov. Free copies of the registration statement, the proxy statement and each company's other filings with the SEC also may be obtained from the respective companies. Free copies of EMC's filings may be obtained by directing a request to EMC. You can request this information via the web at www.EMC.com/IR/request or by sending a written request to EMC Investor Relations, EMC Corporation, 176 South Street, Hopkinton, MA 01748. Free copies of LEGATO's filings may be obtained by directing a request to LEGATO Investor Relations, LEGATO Systems, Inc., 2350 West El Camino Real, Mountain View, CA 94040. In addition, investors and security holders may access copies of the documents filed with the SEC by EMC on EMC's website at www.emc.com, and investors and security holders may access copies of the documents filed with the SEC by LEGATO on LEGATO's website at www.legato.com.

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Forward Looking Statements

This document contains "forward-looking statements" as defined under the Federal Securities Laws. Actual results could differ materially from those projected in the forward-looking statements as a result of certain risk factors, including but not limited to: (i) risks associated with strategic investments and acquisitions, including the challenges and costs of closing, integration, restructuring and achieving anticipated synergies associated with the announced plans to acquire LEGATO Systems, Inc. (Nasdaq: LGTO) and Documentum, Inc.; (ii) adverse changes in general economic or market conditions; (iii) delays or reductions in information technology spending; (iv) the transition to new products, the uncertainty of customer acceptance of new product offerings, and rapid technological and market change; (v) insufficient, excess or obsolete inventory; (vi) competitive factors, including but not limited to pricing pressures; (vii) component quality and availability; (viii) the relative and

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varying rates of product price and component cost declines and the volume and mixture of product and services revenues; (ix) war or acts of terrorism; (x) the ability to attract and retain highly qualified employees; (xi) fluctuating currency exchange rates; and (xii) other one-time events and other important factors disclosed previously and from time to time in EMC's and Documentum's filings with the U.S. Securities and Exchange Commission. EMC and Documentum disclaim any obligation to update any such-forward looking statements after the date of this document.

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Appendix - Facts and Figures

Slide 2 -

Documentum/EMC Facts and Figures - 2002 data

Fact	EMC	Documentum	Legato
Revenues '02	\$5.4B	\$227MM	\$261M
Open Software Revenue Q2'03	\$110 M license only	\$69MM (36MM/52% Svcs, 33MM/48% Lic.) 3Q forecast: \$73.5MM LTM: \$275MM	\$76.6 (34.8 S
Channel Mix	Slightly less than 2/3 Direct More than 1/3 Indirect	Direct 87% Indirect 13%	Direct 25% Indirect 75%
Geographic Mix	2Q'03 NA 60% EMEA 27% ROW 13%	License Revenue (2Q03) NA: 53% Europe: 38% ROW: 9%	NA 54% EMEA 35% ROW 11%
Number of employees WW	17,200	Approx. 1144 179 (G&A)	1560
Total 2002 R&D spend	\$781M EMC spends 75% of R&D on SW (Platform + Multi-platform)	\$38M	69M
Number of R&D employees	3000	266	452

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Documentum/EMC Facts and Figures - 2002 data

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Fact	EMC	Documentum	Legato
Number of sales reps	5600 (customer facing employees)	573 customer facing personnel 420 are commissioned	230 re 500 cu
Number of customers	Presence in majority of Fortune 1000 Approx. 9,900 customers at the parent company level	Enterprise focus 2500 overall Mostly Global 2000	31,000 Over 3
Product focus	Storage systems, software, services	Enterprise Content Management Solutions with five editions: o records management, o digital asset management, o Documents management o Collaboration content o Web content	Informa XTender Applica (Replis Informa DiskXte
Product Mix	2Q'03 Total 54% Systems 22% Software 22% Services 3% Other	2Q'03 Storage 55% Systems 22% Software 23% Services	(2Q03) 52 % Services 48 % Licensing FY02 43% Lic 7% Roya 49% Ser
Customer Satisfaction	>95%	High (no satisfaction scores available): 60-80% of revenue from existing customers (77% in 2Q02)	92% cus (Q2 cur
Number of channel partners	300	550 (source: CIBC) - [approx.] 76% of revenue influenced by partners	Over 1028