

VERITAS SOFTWARE CORP /DE/

Form POS AM

June 02, 2003

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As filed with the Securities and Exchange Commission on June 2, 2003

Registration No. 333-103911

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**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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Post-Effective Amendment No. 1  
to  
**Form S-4**  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

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**VERITAS SOFTWARE CORPORATION**

*(Exact name of registrant as specified in its charter)*

**Delaware**  
*(State or other jurisdiction of  
incorporation or organization)*

**7372**  
*(Primary Standard Industrial  
Classification Code Number)*

**77-0507675**  
*(I.R.S. Employer  
Identification Number)*

**350 Ellis Street**

**Mountain View, California 94043  
(650) 527-8000**

*(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)*

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**Gary L. Bloom**  
**Chairman of the Board, President and Chief Executive Officer**  
**VERITAS Software Corporation**  
**350 Ellis Street**  
**Mountain View, California 94043**  
**(650) 527-8000**

*(Name, address, including zip code, and telephone number, including area code, of agent for service)*

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*Copies to:*

**Michael J. Kennedy, Esq.**  
**Michael S. Dorf, Esq.**  
**Michelle L. Whipkey, Esq.**  
**Wilson Sonsini Goodrich & Rosati**  
**Professional Corporation**  
**One Market, Spear Tower**  
**San Francisco, California 94105**  
**(415) 947-2000**

**Shimon Alon**  
**Chief Executive Officer**  
**Precise Software Solutions, Inc.**  
**690 Canton Street**  
**Westwood, Massachusetts 02090**  
**(781) 461-0700**

**Anthony H. Rickert, Esq.**  
**Marjorie Sybul Adams, Esq.**  
**Piper Rudnick LLP**  
**1200 Nineteenth Street, NW**  
**Washington, D.C. 20036**  
**(202) 861-3900**

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**Approximate date of commencement of proposed sale to the public:** Upon completion of the merger described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

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If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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Dear Precise Software Solutions Ltd. Shareholders:

I am writing to you today about the proposed merger of Precise Software Solutions Ltd. with a subsidiary of VERITAS Software Corporation. You are cordially invited to attend the extraordinary meeting of shareholders of Precise to be held on June 28, 2003 at 10:30 p.m., local time, at Precise's U.S. offices at 690 Canton Street, Westwood, Massachusetts 02090. At the extraordinary meeting, you will be asked to vote on the merger and the other matters described in the attached proxy statement/prospectus.

In the merger, you will receive, at your election, for each ordinary share of Precise that you own either (1) \$16.50 in cash, or (2) a combination of \$12.375 in cash plus 0.2365 of a share of VERITAS common stock. Precise shareholders who are Israeli holders, as defined in the enclosed election form, and who properly and timely elect to receive the mixed cash and stock consideration, will not be entitled to receive any shares of VERITAS common stock, but instead will receive an amount of cash equal to \$12.375 plus 0.2365 multiplied by the closing price of one share of VERITAS common stock, as reported on The Nasdaq National Market, on the trading day immediately prior to the date the merger takes effect.

If all Precise shareholders were to receive the mixed cash and stock consideration, including, for this purpose, Israeli holders, and assuming for this purpose the exercise of all vested Precise share options and warrants prior to completion of the merger, VERITAS would issue approximately 8.4 million shares of its common stock in the merger. VERITAS common stock is traded on The Nasdaq National Market under the trading symbol VRTS. The closing price of VERITAS common stock on May 29, 2003 was \$27.24 per share.

Under Israeli law, holders of Precise ordinary shares are not entitled to statutory dissenters' rights.

Only holders of record of Precise ordinary shares at the close of business on May 27, 2003 are entitled to attend and to vote at the extraordinary meeting or any adjournment thereof. Directors, each in his or her capacity as a shareholder, officers and other affiliated shareholders of Precise that beneficially own approximately 6.7% in the aggregate of Precise's outstanding ordinary shares as of May 27, 2003, the record date for the extraordinary meeting, have entered into undertakings to vote their ordinary shares in favor of approval of the merger agreement, the merger and the other transactions contemplated by the merger agreement.

The Precise audit committee and board of directors have (1) reviewed and considered the terms and conditions of the merger agreement, (2) unanimously determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are fair to, and in the best interests of, Precise and its shareholders and that, considering the financial position of the merging companies, no reasonable concern exists that Precise, as the surviving company in the merger, will be unable to fulfill its obligations to its creditors, and (3) unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement. **The Precise audit committee and board of directors unanimously recommend that you vote FOR the proposal to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement.**

You also will be asked to vote upon (1) an amendment to Precise's articles of association with respect to insurance and indemnification of directors and office holders, (2) specified modifications to the vesting terms of, and exercise period for, share options held by members of the Precise board of directors and (3) any motion to adjourn a meeting at which a quorum is present to solicit additional votes. The merger is not conditioned on shareholder approval of the amendment of Precise's articles of association, the modifications of the terms of Precise's director share options or approval of any such adjournment. **The Precise board of directors unanimously recommends that you vote FOR the proposal to amend Precise's articles of association, FOR the proposal to modify the terms of Precise's director share options and FOR the proposal to approve any adjournment to solicit additional votes if a quorum is present at the meeting.**

The attached proxy statement/prospectus provides you with detailed information about VERITAS, Precise, the merger agreement, the merger and the other transactions contemplated by the merger agreement, the proposed amendment of Precise's articles of association, the proposed modifications to the terms of Precise's director share options and the proposal to approve any adjournment of a meeting at which a quorum is present to solicit additional votes. We encourage you to read the entire proxy statement/prospectus carefully, including the Risk Factors section beginning on page 37.

Yours sincerely,

Shimon Alon

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Chief Executive Officer  
Precise Software Solutions Ltd.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the shares of VERITAS common stock to be issued under the attached proxy statement/ prospectus or determined if the attached proxy statement/ prospectus is accurate or complete. Any representation to the contrary is a criminal offense.**

The attached proxy statement/prospectus is dated June 2, 2003, and is first being mailed to Precise shareholders on or about June 2, 2003.

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**PRECISE SOFTWARE SOLUTIONS LTD.**

10 Hata asiya Street  
Or-Yehuda, Israel 60408  
+972 (3) 735-2222

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**SUPPLEMENT TO  
NOTICE OF EXTRAORDINARY MEETING OF SHAREHOLDERS  
To Be Held On June 28, 2003**

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A notice of an extraordinary meeting of the shareholders of Precise Software Solutions Ltd., a company incorporated under the laws of the State of Israel, was mailed to all shareholders on or about December 27, 2002 in accordance with the requirements of the Israeli Companies Law, 1999. Notifications regarding a change in the meeting date and applicable record date were mailed to all shareholders on or about February 26, 2003 and May 21, 2003, including a notice regarding the addition of the fourth proposal described below. You are hereby notified that the meeting date and applicable record date have been postponed to the dates specified below. The attached proxy statement/ prospectus is intended to supplement the information in the notice and the notifications distributed to Precise shareholders.

An extraordinary meeting of shareholders of Precise will be held at Precise's U.S. offices at 690 Canton Street, Westwood, Massachusetts 02090, on June 28, 2003 at 10:30 p.m., local time, to consider and act upon each of the following matters:

1. To approve the Agreement and Plan of Merger dated as of December 19, 2002, as amended, by and among VERITAS Software Corporation, a Delaware corporation, Argon Merger Sub Ltd., an Israeli company and an indirect wholly-owned subsidiary of VERITAS, and Precise, the merger of Argon Merger Sub Ltd. with and into Precise and the other transactions contemplated by the merger agreement, as described in the attached proxy statement/prospectus.
2. To approve the amendment of Article 74 (Insurance and Indemnity) of Precise's articles of association, which amendment is intended to allow for insurance and indemnification of directors and office holders to the maximum extent permitted by Israeli law.
3. To approve the acceleration of the vesting schedule of options to purchase Precise ordinary shares held by members of Precise's board of directors immediately after the completion of the merger, and the extension of the period during which such options may be exercised.
4. To consider and vote upon any motion to adjourn a meeting at which a quorum is present to a later time to permit further solicitation of proxies if necessary to obtain additional votes in favor of any of the foregoing items.

We describe these proposals more fully in the attached proxy statement/ prospectus, which we urge you to read in its entirety, including the matters discussed under "Risk Factors" beginning on page 37.

Only Precise holders of record at the close of business on May 27, 2003, the record date for the extraordinary meeting, are entitled to attend and to vote at the extraordinary meeting or any adjournment thereof.

**Your vote is important. Whether or not you plan to attend the extraordinary meeting, please take the time to vote by completing and mailing the enclosed proxy card. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote FOR the approval of the merger agreement, the merger and the other transactions contemplated by the merger agreement and FOR each of the other proposals to be presented at the extraordinary meeting. Returning your proxy card will not affect your right to vote in person, should you choose to attend the extraordinary meeting.**

**You should notify Precise before voting at the meeting or indicate on the proxy card, whether or not you indicate how you want to vote, whether or not you are: (1) a person or entity holding, directly or indirectly, 25% or more of either the voting power or the right to appoint a director of VERITAS or the merger subsidiary; (2) a person or entity acting on behalf of VERITAS, the merger subsidiary or a person or entity described in (1); or (3) a family member of, or an entity controlled by, VERITAS, the merger subsidiary or any of the foregoing. If you do not notify Precise as aforesaid, you will not be entitled to vote on the merger and your vote will not be counted with respect to Proposal No. 1.**

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By Authorization of the Board of Directors

DROR ELKAYAM

*Secretary*

Or-Yehuda, Israel  
June 2, 2003

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VERITAS will provide you with copies of this information relating to VERITAS, without charge, upon written or oral request to:

**VERITAS Software Corporation  
350 Ellis Street  
Mountain View, California 94043  
Attention: Investor Relations  
Telephone Number: (650) 527-2508**

In addition, you may obtain copies of this information by making a request through the investor relations section of VERITAS website, <http://www.veritas.com>, or by sending an e-mail to [invrel@veritas.com](mailto:invrel@veritas.com).

Precise will provide you with copies of this information relating to Precise, without charge, upon written or oral request to:

**Precise Software Solutions, Inc.  
690 Canton Street  
Westwood, Massachusetts 02090  
Attention: Investor Relations  
Telephone Number: (800) 310-4777**

In addition, you may obtain copies of this information by making a request through the investor relations section of Precise's website, <http://www.precise.com/company/IR/>, or by sending an e-mail to [krudden@precise.com](mailto:krudden@precise.com).

For you to receive timely delivery of the documents before the Precise extraordinary meeting, VERITAS or Precise should receive your request no later than **June 23, 2003**.

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**QUESTIONS AND ANSWERS ABOUT THE MERGER**

***Q. Why am I receiving this proxy statement/prospectus?***

A: Precise has entered into a merger agreement with VERITAS and one of its subsidiaries. The terms of the merger agreement are described in this proxy statement/prospectus. The merger agreement and amendment no. 1 to the merger agreement are attached to this proxy statement/prospectus as Annex A and Annex AA, respectively. Upon completion of the merger, Precise will become an indirect wholly-owned subsidiary of VERITAS.

To complete the merger, Precise shareholders must approve the merger agreement, the merger and the other transactions contemplated by the merger agreement. Precise will hold an extraordinary meeting of its shareholders to obtain this approval. The merger is not conditioned upon obtaining shareholder approval for the other proposals to be presented at the Precise extraordinary meeting that relate to an amendment of Precise's articles of association, specified modifications to the terms of share options held by members of Precise's board of directors and an adjournment to solicit additional votes if a quorum is present. This proxy statement/prospectus contains important information about the Precise extraordinary meeting, the merger and the other proposals to be presented at the extraordinary meeting, and you should read it carefully.

***Q. When is the Precise extraordinary meeting relating to the merger and what specific proposals will I be asked to consider? (see page 54)***

A: The Precise extraordinary meeting will take place on June 28, 2003 at 10:30 p.m., local time. At the extraordinary meeting, you will be asked to:

approve the merger agreement, the merger and the following other customary transactions contemplated by the merger agreement (Proposal No. 1):

VERITAS' agreement to assume the obligations of Precise pursuant to any existing indemnification agreements and to enter into new indemnification agreements in favor of current and former Precise directors and specified Precise officers (see page 74);

VERITAS' agreement to effect the amendment to Precise's articles of association relating to indemnification of directors and officers, if it is not passed at the extraordinary meeting (see page 74);

the purchase by Precise of tail or runoff insurance (see page 75); and

the employment agreement between VERITAS and Shimon Alon, Precise's chief executive officer and a Precise director (see page 71).

approve the amendment of Article 74 (Insurance and Indemnity) of Precise's articles of association, which clarifies the circumstances under which (1) indemnification may be granted by Precise for specified liabilities or expenses imposed on its office holders (directors and other managers specified by the Israeli Companies Law, 1999) and (2) insurance may be obtained by Precise for the liability of its office holders. The amendment of article 74 is intended to allow for insurance and indemnification of directors and specified officers to the maximum extent permitted by Israeli law. (Proposal No. 2).

approve the acceleration of the vesting schedule of all share options held by members of the Precise board of directors immediately after the completion of the proposed merger and the extension of the period during which options held by these directors may be exercised (Proposal No. 3).

approve any motion to adjourn a meeting at which a quorum is present to a later time to permit further solicitation of proxies if necessary to obtain additional votes in favor of Proposal No. 1, Proposal No. 2 or Proposal No. 3 (Proposal No. 4).

Each of the above proposals is separate and independent from one another. Proposal No. 1 is not conditioned upon obtaining Precise shareholder approval of Proposal No. 2, Proposal No. 3 or Proposal

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No. 4 and Proposal No. 2, Proposal No. 3 and Proposal No. 4 are not conditioned upon approval of each other or upon obtaining Precise shareholder approval of Proposal No. 1.

**Q: What will I receive in the merger? (see page 75)**

A: If the merger is completed, you will receive, at your election and subject to the election procedures described in this proxy statement/prospectus, for each ordinary share of Precise that you own either:

the cash consideration, which consists of \$16.50 in cash;

or

the mixed consideration, which consists of (1) \$12.375 in cash, plus (2) 0.2365 of a share of VERITAS common stock.

Precise shareholders who are Israeli holders, as defined in the merger agreement, and who properly and timely elect to receive the mixed consideration will not be entitled to receive any shares of VERITAS common stock, but instead will receive (1) \$12.375 in cash, plus (2) an amount of cash equal to 0.2365 multiplied by the closing price of one share of VERITAS common stock, as reported on The Nasdaq National Market, on the trading day immediately prior to the date the merger takes effect.

The consideration for your Precise ordinary shares, including the exchange ratio for the VERITAS common stock component of the mixed consideration, will not change even if the market prices of Precise ordinary shares or VERITAS common stock fluctuate. However, if you elect to receive the mixed consideration, the value of the VERITAS shares (or, for Israeli holders, the corresponding portion of cash) included in the mixed consideration will fluctuate up or down with fluctuations in the market price of VERITAS common stock.

**Neither Precise nor VERITAS is making any recommendation as to whether Precise shareholders should elect to receive the cash consideration or the mixed consideration in connection with the merger.**

**Q: What is the aggregate value of the consideration to be paid by VERITAS for all of the outstanding Precise ordinary shares?**

A: The aggregate value of the consideration to be paid by VERITAS to the Precise shareholders will depend on the number of Precise shareholders electing to receive the cash consideration and the mixed consideration and the value of VERITAS common stock at the closing of the merger. The following table presents the aggregate value of the consideration that would be paid to holders of Precise ordinary shares as of May 27, 2003, assuming the exercise of all vested options and warrants to purchase Precise ordinary shares, (1) if all Precise shareholders elected to receive the per share cash consideration of \$16.50 or (2) if all Precise shareholders elected to receive the per share mixed consideration of \$12.375 in cash plus 0.2365 of a share of VERITAS common stock.

<u>Date</u>	<u>Closing Price of VERITAS Common Stock</u>	<u>Number of Precise Ordinary Shares</u>	<u>All Cash Consideration</u>	<u>All Mixed Consideration</u>
May 29, 2003	\$27.24	33,062,761	\$545,535,556	\$622,150,570

The actual amount of the aggregate consideration to be paid by VERITAS to holders of Precise ordinary shares will not be determined until the time of the merger.

**Q: Why am I being asked to indicate on the proxy card whether or not I am an Israeli holder? Why will Precise shareholders who declare that they are Israeli holders and who elect to receive the mixed consideration receive, instead of VERITAS common stock, the cash equivalent of the value of VERITAS common stock on the trading day immediately prior to the date the merger takes effect?**

A: To comply with Israeli securities laws, Israeli holders who properly and timely elect to receive the mixed consideration will not be entitled to receive any shares of VERITAS common stock, but instead will receive \$12.375 in cash, plus an amount of cash equal to 0.2365 multiplied by the closing price of one share of VERITAS common stock, as reported on The Nasdaq National Market, on the trading day



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immediately prior to the date the merger takes effect. For this reason, you are being asked to declare whether or not you are an Israeli holder. You will be deemed to be an Israeli holder if (1) you have provided Precise or the broker through which you hold Precise ordinary shares with an address in the State of Israel for the purpose of sending notices or (2) the center of your vital interests, as evidenced by family, economic and social ties, is in Israel. In addition, you will be asked to indicate whether or not you are an Israeli resident, as defined in the Israeli Income Tax Ordinance [New Version], 1961, for Israeli tax purposes. This information may be of importance in determining whether any Israeli withholding tax obligation applies to the consideration for your Precise ordinary shares.

***Q: Why can't Israeli holders of Precise shares elect to receive the mixed consideration, including shares of VERITAS common stock?***

A: Israeli law would have imposed burdensome prospectus publication and periodic reporting requirements in Israel on VERITAS if it offered its common stock directly to Israeli holders as part of the mixed consideration. As a result, VERITAS determined that it could not offer shares of its common stock to Israeli holders. VERITAS is instead providing Israeli holders with the opportunity to receive in cash the economic value equivalent to that received by non-Israeli holders that elect to receive the per share mixed consideration. Israeli shareholders who desire to have a continuing economic interest in VERITAS may use the cash consideration they receive to buy VERITAS common stock on The Nasdaq National Market.

***Q: Will I be able to trade any VERITAS common stock that I receive in the merger? (see page 81)***

A: The VERITAS common stock you will receive if you properly make a timely election to receive the mixed consideration and are not an Israeli holder will be freely tradeable, unless you are an affiliate of VERITAS or Precise. VERITAS common stock is listed on The Nasdaq National Market under the symbol VRTS.

***Q: What do I need to do now? (see page 55)***

A: After you review this proxy statement/ prospectus in its entirety, you should mail your completed and signed proxy card in the enclosed return envelope or as indicated on the proxy card as soon as possible so that your ordinary shares can be voted at the extraordinary meeting of Precise shareholders. You may also send your completed and signed proxy card to Precise at 10 Hata'asiya Street, Or-Yehuda 60408, Israel or 690 Canton Street, Westwood, MA 02090 or to Precise's transfer agent, American Stock Transfer and Trust Company, at 59 Maiden Lane, Plaza Level, New York, NY 10038, Attention: Karen Lazar. In order to be counted, your properly completed and signed proxy card must be received at least 24 hours before the start of the extraordinary meeting. You do not need to mail your proxy card and election form at the same time. Even if you intend to wait to send your election form until as close to the meeting date as possible, you should still mail your proxy card as soon as possible.

***Q: What happens if I return a signed proxy card but do not indicate how to vote my proxy? (see page 55)***

A: If you do not include instructions on how to vote your properly signed and dated proxy card, your shares will be voted FOR the approval of the merger agreement, the merger and the other transactions contemplated by the merger agreement (Proposal No. 1) and FOR the approval of each of the other proposals to be presented at the extraordinary meeting. If you do not indicate on your proxy card whether you are (1) a person or entity holding, directly or indirectly, 25% or more of either the voting power or the right to appoint a director of VERITAS or the merger subsidiary; (2) a person or entity acting on behalf of VERITAS, the merger subsidiary or a person or entity described in (1); or (3) a family member of, or entity controlled by, VERITAS, the merger subsidiary or any of the foregoing, your vote will not be counted with respect to Proposal No. 1.

***Q: What happens if I do not vote? (see page 55)***

A: Approval of the proposals to be presented at the extraordinary meeting requires the affirmative vote of specified percentages of the Precise ordinary shares present and voting at the meeting at which a quorum

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is present. If a quorum is present at the meeting and you do not return your proxy card or vote in person at the meeting, then fewer shares will be present and voting at the meeting and, as a result, fewer shares will constitute the 75% vote necessary to approve Proposal No. 1 and the majority votes necessary to approve the other proposals to be presented at the extraordinary meeting. The presence in person or by proxy of at least one-third of Precise's outstanding ordinary shares is required to constitute a quorum at the extraordinary meeting. If you do not vote, Precise may be unable to obtain a quorum at the extraordinary meeting.

***Q: If my broker holds my shares in street name, will my broker vote my shares without any instructions from me? (see page 55)***

A: No. Your broker will not be able to vote your shares without instructions from you. Precise will treat broker non-votes as shares that are present for the purpose of determining the presence of a quorum, however, for the purpose of determining the outcome of any matter, Precise will treat broker non-votes as not voting with respect to that matter. Therefore, if you do not provide your broker with voting instructions, it will have the effect of reducing the number of votes required to obtain the 75% vote necessary to approve Proposal No. 1 and the majority votes necessary to approve the other proposals to be presented at the extraordinary meeting.

***Q: Can I change my vote after I have mailed my signed proxy card? (see page 55)***

A: Yes. You can change your vote at any time before your proxy is voted at the extraordinary meeting. You can do this in one of three ways:

you can send a written notice stating that you would like to revoke your proxy, provided such notice is received at least 24 hours prior to the time set for the extraordinary meeting or is presented at the extraordinary meeting to the chairman of the meeting;

you can complete and submit a new proxy card dated later than the first proxy card, provided such new proxy card is received at least 24 hours prior to the time set for the extraordinary meeting or is presented at the extraordinary meeting to the chairman of the meeting; or

you can attend the extraordinary meeting, file a written or make an oral notice of revocation of your proxy with the chairman of the meeting and vote in person.

Your attendance alone will not revoke your proxy. If you have instructed a broker to vote your shares, you must follow your broker's directions to change those instructions.

***Q: Why am I being asked to indicate on the proxy card whether or not I am related to VERITAS or the merger subsidiary?***

A: Under Israeli law, if VERITAS, the merger subsidiary or any person or entity holding 25% or more of either the voting power or the right to appoint a director of VERITAS or the merger subsidiary, holds shares in Precise, then there is an additional requirement for the approval of Proposal No. 1. The additional requirement is that a majority of the shareholders who are present at the extraordinary meeting, excluding VERITAS, the merger subsidiary or any person or entity holding 25% or more of either the voting power or the right to appoint a director of VERITAS or the merger subsidiary, or anyone acting on their behalf, including their family members or entities under their control, shall not have voted against the merger. For these purposes, abstentions and broker non-votes are not considered to be votes against the merger.

***Q: How do I elect to receive the cash consideration or the mixed consideration for my Precise ordinary shares? (see page 76)***

A: A form for making an election is enclosed with this proxy statement/prospectus. Additional copies of the election form may be obtained from the exchange agent. For your election to be effective, your properly completed election form, along with your Precise share certificates or an appropriate guarantee of delivery, must be sent to and received by Mellon Investor Services LLC, the exchange agent, on or before 5:00 p.m., New York City time, on June 27, 2003. **Do not send your election form or share certificates**

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**together with your proxy card.** Instead, use the separate envelope specifically provided for the election form and your share certificates. Please read this proxy statement/ prospectus carefully for more information about the procedures for electing to receive the cash consideration or the mixed consideration.

If you do not properly and timely send in your completed election form, along with your Precise share certificates or an appropriate guarantee of delivery, you will be deemed to have elected the cash consideration and will receive \$16.50 in cash for each ordinary share of Precise you own if the merger is completed even if the value of the mixed consideration is higher than \$16.50. The exchange agent will send you written instructions for surrendering your Precise ordinary shares for the cash consideration after the merger is completed.

**Neither Precise nor VERITAS is making any recommendation as to whether Precise shareholders should elect to receive the cash consideration or the mixed consideration in connection with the merger.**

**Q: Should I send in my share certificates now?**

A: **Do not send your election form or share certificates together with your proxy card.** However, if you want to elect to receive the mixed consideration in exchange for your Precise ordinary shares, you must send your Precise share certificates, or an appropriate guarantee of delivery, and your completed election form indicating your election of the mixed consideration to the exchange agent in the separate envelope specifically provided for the election form and share certificates.

**Q: Can I elect to receive the cash consideration for some of my Precise ordinary shares and the mixed consideration for some of my Precise ordinary shares? (see page 75)**

A: No. You may only elect to receive one consideration alternative for all of your Precise ordinary shares. A holder of record of Precise ordinary shares who holds such ordinary shares as a nominee, trustee or in another representative capacity may submit multiple election forms, provided that such record holder certifies that each such election form covers all the Precise ordinary shares held by such record holder for a particular beneficial owner.

**Q. What is the value of the consideration I will receive if I elect to receive the mixed consideration?**

A. If you properly and timely elect to receive the mixed consideration, the value of the consideration you will receive will depend in part upon the value of VERITAS common stock, which may fluctuate. The following table illustrates the effect of changes in the value of VERITAS common stock on the value of the mixed consideration.

Price Per Share of VERITAS Common Stock	Cash Value Per Precise Ordinary Share	
	Mixed Election	Cash Election
\$ 16.50	\$16.277	\$ 16.50
\$ 17.442 <sup>1</sup>	\$ 16.50	\$ 16.50
\$ 27.24 <sup>2</sup>	\$18.817	\$ 16.50
\$ 28.00	\$18.997	\$ 16.50

1) The price per share of VERITAS common stock at which the value of the mixed consideration is equal to the value of the cash consideration.

2) The closing price per share of VERITAS common stock on The Nasdaq National Market on May 29, 2003.

Historically, the price of VERITAS common stock has fluctuated significantly and if you elect to receive the mixed consideration in exchange for your Precise ordinary shares, the value of the VERITAS shares will fluctuate up and down with fluctuations in the market price of VERITAS common stock. The value



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of the consideration you receive in the merger if you properly and timely elect to receive the mixed consideration may be more or less than the \$16.50 that you would have received if you elected to receive the cash consideration. In addition, the trading price of VERITAS common stock on the date you receive the cash consideration or the mixed consideration in exchange for your Precise ordinary shares could be more or less than the trading price of VERITAS common stock on the date you make your election to receive either the cash consideration or the mixed consideration. This means that the then-current value of the mixed consideration that you would receive for each Precise ordinary share if you properly and timely elect to receive the mixed consideration could be more or less than the value of the mixed consideration on the date you make your election to receive either the cash consideration or the mixed consideration. Precise's non-U.S. shareholders may call (201) 373-5213 and Precise's U.S. shareholders may call (888) 689-2681, to learn the most recent closing price of VERITAS common stock on The Nasdaq National Market and the value of the mixed consideration based on that closing price.

***Q. Can I sell my Precise ordinary shares after the record date for the Precise extraordinary meeting?***

- A. If you have not already made an election with respect to your Precise ordinary shares, you can sell them and you will still be entitled to vote those shares at the extraordinary meeting because you were the holder of record on the record date.

However, if you have already made an effective election with respect to your Precise ordinary shares by delivering an election form and your share certificates or a guarantee of delivery to the exchange agent, you may not sell your Precise ordinary shares until you have effectively revoked your election and have received your share certificates from the exchange agent.

***Q. If I want to change or revoke my election, what should I do?***

- A. You may change your election at any time prior to 5:00 p.m., New York City time, on June 27, 2003, by written notice accompanied by a properly completed and signed later-dated election form received by the exchange agent prior to that time. You may revoke your election at any time prior to 5:00 p.m., New York City time, on June 27, 2003 by withdrawing your share certificates by written notice received by the exchange agent prior to that time. All elections will be revoked automatically if the merger agreement is terminated.

***Q. I purchased Precise ordinary shares after the record date. Can I vote these shares at the Precise extraordinary meeting? How do I make an election with respect to these shares?***

- A. You cannot vote shares purchased after the record date at the extraordinary meeting because you were not the record holder of those shares on the record date. However, you are entitled to make an election with respect to those shares at any time prior to 5:00 p.m., New York City time, on June 27, 2003. You may obtain an election form from the exchange agent by calling Mellon Investor Services LLC at (888) 689-2681 from within the U.S. or at (201) 373-5213 from outside the U.S. If you do not make an election with respect to your shares, you will be deemed to have elected to receive the cash consideration of \$16.50 for each ordinary share of Precise that you own even if the value of the mixed consideration is higher than \$16.50.

***Q. What happens if the merger is completed and I have not properly made a timely election to receive either the cash consideration or the mixed consideration for my Precise ordinary shares? (see page 75)***

- A. If you do not properly make a timely election pursuant to the election procedures described in this proxy statement/ prospectus:

you will be deemed to have elected to receive the cash consideration of \$16.50 for each ordinary share of Precise that you own even if the value of the mixed consideration is higher than \$16.50; and

the exchange agent will send you written instructions for surrendering your Precise ordinary shares for the cash consideration after the merger is completed.

***Q. What do the Precise audit committee and board of directors recommend? (see page 65)***

- A. The Precise audit committee and board of directors have unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement (Proposal No. 1) and

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recommend that you vote FOR Proposal No. 1. The Precise board of directors also unanimously recommends that you vote FOR each of the other proposals to be presented at the extraordinary meeting. The Precise board of directors makes no recommendation as to whether you should elect to receive the cash consideration or the mixed consideration.

***Q: When do you expect the merger to be completed? (see page 75)***

A: We are working towards completing the merger as quickly as reasonably possible. Several conditions must be satisfied or waived before the merger is completed. See the section of this proxy statement/ prospectus titled *The Merger Agreement Conditions to Completion of the Merger* for a summary description of these conditions. We hope to complete the merger promptly after the Precise extraordinary meeting to be held on June 28, 2003.

***Q: Will I recognize gain or loss for tax purposes? (see page 77)***

A: Gain or loss will be recognized for U.S. federal income tax purposes and, subject to certain exceptions, for Israeli tax purposes. See the section of this proxy statement/ prospectus titled *The Merger Material U.S. Federal and Israeli Income Tax Consequences to Precise Shareholders* for a summary discussion of material U.S. federal income tax consequences of the merger to U.S. holders and material Israeli tax considerations in connection with the merger.

**You should consult your tax advisor about the particular tax consequences of the merger to you.**

***Q: Am I entitled to dissenters' rights?***

A: No. Under Israeli law, holders of Precise ordinary shares are not entitled to statutory dissenters' rights in connection with the merger.

***Q: If I elect to receive the mixed consideration, will my rights as a Precise shareholder change as a result of the merger? (see page 101)***

A: Yes. Precise and VERITAS are incorporated in different jurisdictions having different corporate laws. In addition, the governing documents of each company vary. As a result, a Precise shareholder receiving shares of VERITAS common stock in connection with the merger will have different rights as a VERITAS shareholder than as a Precise shareholder. If you elect, or fail to properly make a timely election and are deemed to have elected, to receive the cash consideration for your Precise ordinary shares, you will not be entitled to receive any VERITAS common stock and you will not have an investment in the combined company following the merger.

***Q: Is VERITAS stockholder approval required to complete the merger?***

A: No.

***Q: Who can help answer my questions?***

A: You can write or call Mellon Investor Services LLC, 44 Wall Street, 7th Floor, New York, New York 10005, telephone (888) 689-2681 from within the U.S., or (201) 373-5213 from outside the U.S., with any questions about the merger agreement, the merger, the other transactions contemplated by the merger agreement or any of the other proposals to be presented at the extraordinary meeting.

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**SUMMARY**

This summary, together with the matters discussed under Questions and Answers About the Merger, summarizes all of the material terms of the merger and the other proposals to be voted on at the extraordinary meeting. This summary may not contain all of the information that is important to you. For a more complete description of the merger and the other proposals to be voted on at the Precise extraordinary meeting, we encourage you to read carefully this entire proxy statement/ prospectus, including the attached annexes. In addition, we encourage you to read the information incorporated by reference into this proxy statement/ prospectus, which includes important business and financial information about VERITAS and Precise. You may obtain the information incorporated by reference into this proxy statement/ prospectus without charge by following the instructions in the section titled Where You Can Find More Information beginning on page 112 of this proxy statement/ prospectus.

**The Companies**

**VERITAS Software Corporation**

350 Ellis Street  
Mountain View, California 94043  
(650) 527-8000

VERITAS is a leading independent supplier of storage software products and services. Storage software includes storage management and data protection software as well as clustering, replication and storage area networking or network attached storage software. VERITAS develops and sells products for most popular operating systems, including various versions of Windows, UNIX and Linux. VERITAS also develops and sells products that support a wide variety of servers, storage devices, databases, applications and network solutions. VERITAS also provides a full range of services to assist its customers in assessing, architecting and implementing their storage software solutions.

**Precise Software Solutions Ltd.**

10 Hata asiya Street, P.O. Box 1066  
Or-Yehuda, Israel 60408  
972 (3) 735-2222

Precise is a provider of software that assists organizations in monitoring and optimizing the performance of their Information Technology infrastructure. This IT infrastructure consists of networks, operating systems, servers, applications, databases and storage devices that help manage traditional and electronic business activities. Precise's software allows an organization to continuously monitor its infrastructure performance and be alerted when performance parameters exceed user-established thresholds. When Precise's software detects a performance problem, it also provides technology support personnel with a thorough set of diagnostic data that pinpoints the specific cause of performance degradation and offers suggested alternatives to alleviate the problem. Precise's software serves businesses that rely on enterprise applications or have implemented e-business applications to cut costs and improve efficiencies. Businesses have become increasingly reliant on the proper functioning of their Information Technology infrastructure and Precise's software assists them in achieving this goal.

**Argon Merger Sub Ltd.**

22 Rivlin Street  
Jerusalem, Israel 94263

Argon Merger Sub Ltd. is a newly-formed, wholly-owned indirect subsidiary of VERITAS. VERITAS formed this subsidiary as an Israeli corporation solely to effect the merger, and this subsidiary has not conducted and will not conduct any business during any period of its existence. We refer to this subsidiary throughout this proxy statement/ prospectus as the merger subsidiary.

**Recommendation of Precise's Audit Committee and Board of Directors (see page 65)**

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After careful consideration, the Precise audit committee and board of directors have unanimously determined that the merger agreement, the merger and the other transactions contemplated by the merger



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agreement are fair to, and in the best interests of, Precise and its shareholders, and they unanimously recommend that you vote FOR approval of the merger agreement, the merger and the other transactions contemplated by the merger agreement. The Precise board of directors makes no recommendation as to whether you should elect to receive the cash consideration or the mixed consideration.

The Precise board of directors also unanimously recommends that you vote FOR the proposal to amend Precise's articles of association, FOR the proposal to modify the terms of Precise's director share options and FOR the proposal to approve any adjournment to solicit additional votes if a quorum is present at the meeting.

### **Opinion of Precise's Financial Advisor (see page 65)**

Goldman, Sachs & Co. delivered its opinion to the Precise board of directors, that, as of December 19, 2002 and based upon and subject to the factors and assumptions set forth in the opinion, the aggregate merger consideration to be received by all holders of Precise ordinary shares was fair from a financial point of view to such holders, in the aggregate. Goldman Sachs provided its opinion for the information and assistance of the Precise board of directors in connection with its consideration of the merger. The Goldman Sachs opinion is not a recommendation as to how any holder of Precise ordinary shares should vote with respect to the merger or whether to elect to receive the cash consideration or the mixed consideration in connection with the merger and was not intended to address the propriety of every individual decision to elect to receive the per share cash consideration or the per share mixed consideration.

The full text of the written opinion of Goldman Sachs, dated December 19, 2002, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex D to this proxy statement/prospectus. Precise shareholders should read such opinion in its entirety. Goldman Sachs is entitled to receive a transaction fee from Precise payable upon completion of the merger.

## **The Merger**

### ***Precise's Reasons for the Merger (see page 63)***

The Precise board of directors reasons for recommending the approval of the merger agreement, the merger and the other transactions contemplated by the merger agreement included the following:

The consideration to be received by Precise shareholders in the merger represented a significant premium over recent trading prices of Precise's ordinary shares.

The written opinion of Precise's financial advisor, Goldman, Sachs & Co., that as of December 19, 2002 and based upon and subject to the factors and assumptions set forth in the opinion, the aggregate merger consideration to be received by all holders of Precise ordinary shares pursuant to the merger agreement was fair from a financial point of view to such holders, in the aggregate.

Considering the financial position of the merging companies, no reasonable concern exists that Precise, as the surviving corporation in the merger, will be unable to fulfill the obligations of Precise to its creditors.

In addition, the Precise board of directors also considered, among others, the following factors:

The terms and conditions of the merger.

The ability of Precise to leverage VERITAS' global distribution channels, proven brand recognition and existing customer, partner and strategic relationships and accelerate Precise's market penetration.

The ability to benefit from VERITAS' greater corporate resources and increase its competitiveness through synergies and internal economies of scale.

The other positive and negative factors described in the section titled "The Merger - Precise's Reasons for the Merger."

The foregoing discussion of the information and factors considered by the board of directors of Precise is not intended to be exhaustive. In view of the variety of factors considered and qualitative judgments made with respect to such factors in connection with its evaluation of the proposed merger, the board of directors did not

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find it practicable to quantify, analyze or assign relative weights to each individual factor to reach its determination.

***VERITAS Reasons for the Merger (see page 64)***

VERITAS believes it will derive a number of potential benefits from the merger, including:

enhancing VERITAS ability to reach certain of its strategic and business objectives, which include extending VERITAS product and service offerings to include Precise's products, enabling VERITAS to bridge across storage, databases and application management;

enabling VERITAS to leverage its distribution channels, international presence, customer base, and brand recognition to accelerate Precise's market penetration and growth;

enabling VERITAS to enhance its position in areas where VERITAS is already strong by offering complementary products and services developed by Precise;

enhancing its product offerings in a variety of its core product areas; and

providing an end-to-end solution for application performance and availability stretching from the end-user through the underlying data layers.

***Completion and Effectiveness of the Merger (see page 75)***

The merger will become effective as promptly as practicable after all of the conditions to completion of the merger set forth in the merger agreement are satisfied or waived. VERITAS and Precise are working towards completing the merger as quickly as reasonably possible and hope to complete the merger promptly after the Precise extraordinary meeting of shareholders to be held on June 28, 2003.

***Interests of Precise's Directors and Executive Officers in the Merger (see page 71)***

Precise's directors and executive officers, as well as several other members of Precise's senior management, have a personal interest in the merger as employees or directors that is different from, or in addition to, your interests as shareholders, including:

VERITAS assumption of Precise share options in the merger;

acceleration of vesting of Precise director share options immediately after the merger and the extension of the period for exercise of the share options, in the event that Precise shareholders approve Proposal No. 3 at the Precise extraordinary meeting;

acceleration of vesting of specified share options of executive officers immediately prior to the merger;

severance compensation and additional accelerated option vesting under existing and new employment agreements if the executive officer's employment is terminated by VERITAS without cause or, in the case of Messrs. Nye and Ratner, by the executive for good reason;

annual retention awards payable under new employee agreements with Mr. Schwartz and two other employees if the employee continues to be employed by VERITAS through the end of the year;

VERITAS agreement to assume the obligations of Precise pursuant to any existing indemnification agreements and to enter into new indemnification agreements in favor of current and former Precise directors and specified Precise officers; and

acquisition of tail or runoff insurance coverage that will continue to cover Precise's existing directors and officers liability insurance for seven years and provide coverage for Precise's directors and officers with respect to claims that may arise with respect to events occurring prior to completion of the merger.

The Precise audit committee and board of directors knew about these personal interests and considered them, among other factors, when they approved the merger agreement, the merger and the other transactions contemplated by the merger agreement.

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### ***Structure of the Transaction (see page 75)***

The merger subsidiary will merge with and into Precise, and Precise will become a wholly-owned indirect subsidiary of VERITAS. Based on the number of VERITAS and Precise shares outstanding as of May 27, 2003 and, assuming that all Precise shareholders receive the mixed consideration (including, for this purpose, Israeli holders) and assuming exercise of all outstanding Precise options and warrants, shareholders of Precise will own approximately 2.15% of VERITAS common stock after the merger.

### ***Material U.S. Federal Income Tax Consequences of the Merger (see page 77)***

If you are subject to U.S. federal income tax, your receipt of cash and, if you so elect, VERITAS common stock in exchange for your Precise ordinary shares will be a taxable transaction for U.S. federal income tax purposes and may also be a taxable transaction under applicable state, local or foreign tax laws. If you hold your Precise ordinary shares as capital assets, you will be required to recognize capital gain or loss equal to the excess of the amount of cash you receive, plus, if you elect to receive VERITAS common stock, the fair market value of those shares, over your adjusted tax basis in your Precise ordinary shares. You may be subject to the U.S. backup withholding tax, which is currently 30%, unless you provide your correct taxpayer identification number and comply with certain certification requirements. **You should consult your tax advisor about the particular tax consequences of the merger to you.**

### ***Material Israeli Tax Consequences of the Merger (see page 78)***

Israeli law imposes a capital gains tax on the sale of capital assets located in Israel, including shares in Israeli resident companies, by both residents and non-residents of Israel. Nevertheless, holders of Precise ordinary shares who acquired their shares at the time of Precise's initial public offering or at any time thereafter in the public markets, will not be subject to Israeli capital gains tax in connection with the transfer of Precise shares to VERITAS pursuant to the merger, with respect to gains accrued before January 1, 2003, unless they are in the business of trading in securities or they are companies incorporated in Israel. This exemption is contingent upon Precise's status as an Industrial Company as defined under Israeli law. In any event, U.S. residents who hold shares representing less than 10% of the voting power of Precise will not, in most circumstances, be liable for Israeli capital gains tax in connection with the transfer of their Precise shares in the merger. **You should consult your tax advisor about the particular tax consequences of the merger to you.**

### ***Accounting Treatment of the Merger***

The merger will be accounted for as a purchase transaction under generally accepted accounting principles in the U.S.

### ***Regulatory Filings and Approvals (see page 80)***

The merger is subject to U.S. and foreign antitrust laws and receipt of various Israeli governmental approvals. On January 17, 2003, VERITAS and Precise received early termination of the statutory waiting period under the Hart-Scott-Rodino Antitrust Improvements Act and on February 10, 2003, VERITAS received clearance to complete the merger from the German Federal Cartel Office. However, either the U.S. Department of Justice or the U.S. Federal Trade Commission as well as a foreign regulatory agency or government, state or private person, may challenge the merger at any time before its completion. The Office of the Chief Scientist of Israel's Ministry of Industry and Trade consented to the merger on February 19, 2003. On January 26, 2003, the Investment Center of Israel's Ministry of Industry and Trade consented to the change of ownership of Precise resulting from the merger. In addition, the merger will only take effect after the making of certain filings with the Israel Registrar of Companies regarding the provision of notices to creditors and the receipt of shareholder approval of the merger from each of the merging companies. Some of these filings have been made and the remaining filings will be made promptly after the extraordinary meeting.

### **Material Terms of the Merger Agreement**

The following is a summary of the material terms of the merger agreement. The merger agreement and amendment no. 1 to the merger agreement are attached to this proxy statement/prospectus as Annex A and Annex AA, respectively, and we encourage you to read them carefully in their entirety for a more complete understanding of the merger agreement.

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***Conditions to Completion of the Merger (see page 83)***

VERITAS and Precise's respective obligations to complete the merger are subject to the prior satisfaction or waiver of conditions specified in the merger agreement, including the following:

Both VERITAS and Precise's obligations to complete the merger depend on the satisfaction of several conditions, including receipt of the required Precise shareholder approval, the expiration or early termination of waiting periods under applicable antitrust laws and obtaining governmental approvals required under Israeli law.

Precise's obligation to complete the merger is also subject to VERITAS performance of its obligations under the merger agreement and the accuracy of VERITAS representations to Precise in the merger agreement.

VERITAS obligation to complete the merger is also subject to the satisfaction of several conditions, including Precise's performance of its obligations under the merger agreement, the accuracy of Precise's representations to VERITAS in the merger agreement, no written or oral indication from Israeli tax authorities that the merger would cause an adverse change in the Israeli tax status and benefits of Precise and the approval of Israeli antitrust authorities.

***Termination of the Merger Agreement (see page 91)***

VERITAS and Precise may terminate the merger agreement by mutual written consent. In addition, either VERITAS or Precise may terminate the merger agreement under circumstances specified in the merger agreement. Subject to specified exceptions, these circumstances generally include if:

the merger notice is not filed with the Israeli Companies Registrar by July 10, 2003;

a final, non-appealable order or other action of a court or other governmental entity has the effect of permanently restraining, enjoining or otherwise prohibiting the merger;

Precise's shareholders do not approve by the required vote the merger agreement, the merger and the transactions contemplated by the merger agreement at the Precise extraordinary meeting;

a representation, warranty, covenant or agreement of the other party in the merger agreement has been breached or becomes inaccurate, which would prevent the conditions to completion of the merger from being satisfied and which cannot be cured through commercially reasonable efforts or is not cured within a specified period; or

something has occurred having a materially adverse effect on the business, assets, financial condition or results of operations of the other party which cannot be cured through commercially reasonable efforts or is not cured within a specified period.

VERITAS may terminate the merger agreement if (1) Precise or its board of directors takes any of the actions in opposition to the merger described as a triggering event in the merger agreement, or (2) VERITAS determines, in its reasonable judgment based on advice of patent counsel, that Precise and/or its intellectual property is infringing one or more specified patents in a manner that could lead to any injunction regarding one or more of Precise's products or services, material damages, material royalties or similar payments. For purposes of the merger agreement, material damages means damages in excess of \$2.5 million and material royalties means royalties in excess of \$2.5 million.

Precise may terminate the merger agreement to enter into a binding definitive agreement providing for a superior proposal if Precise complies with specified conditions set forth in the merger agreement.

***Payment of Termination Fee (see page 93)***

Precise will pay VERITAS a termination fee of \$16.2 million if the merger agreement is terminated:

by VERITAS, because of the occurrence of a triggering event (see page 92);

by Precise, in order to enter into a binding definitive agreement providing for a superior proposal (see page 89); or



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by Precise or Veritas as a result of the Precise shareholders' failure to approve the merger agreement or the failure by Precise and VERITAS to file the merger notice with the Israeli Companies Registrar on or before July 10, 2003 and, (1) prior to such termination, (a) there shall exist, or have been publicly proposed and not publicly definitively withdrawn at least five business days prior to such termination, an acquisition proposal, or (b) one or more board members shall have changed their recommendation that Precise's shareholders approve the merger agreement, the merger and the other transactions contemplated by the merger agreement and such change was publicly known; and (2) within 12 months following the termination of the merger agreement a company acquisition is consummated, or Precise enters into an agreement providing for a company acquisition.

### ***No Other Negotiations Involving Precise (see page 88)***

Precise has agreed, subject to specific exceptions, not to solicit, initiate, engage or participate in discussions or negotiations with any party other than VERITAS about any offer or proposal relating to an acquisition proposal, as defined in the merger agreement, involving Precise while the merger is pending.

### **Agreements Related to the Merger Agreement**

The following is a summary of the voting undertakings, affiliate agreements and employment agreements that have been entered into in connection with the merger agreement. The forms of voting undertaking and affiliate agreement are attached to this proxy statement/ prospectus as Annexes B and C, respectively. You are urged to read these annexes in their entirety.

### ***Voting Undertakings (see page 93)***

Precise's directors, each in his or her capacity as a shareholder, officers and other affiliated shareholders who collectively beneficially own approximately 6.7% of Precise's outstanding ordinary shares as of May 27, 2003, the record date for the extraordinary meeting, have entered into voting undertakings, and have granted VERITAS irrevocable proxies, to vote their shares in favor of approval of the merger agreement, the merger and the other transactions contemplated by the merger agreement. These Precise shareholders were not paid additional consideration in connection with the voting undertakings and the irrevocable proxies.

### ***Affiliate Agreements (see page 94)***

Each member of Precise's board of directors, in his or her capacity as a shareholder, and specified officers and affiliated shareholders of Precise, executed affiliate agreements. By executing the affiliate agreements, these persons have acknowledged the resale restrictions imposed by Rule 145 under the Securities Act on shares of VERITAS common stock that may be received by them in the merger. Under the affiliate agreements, VERITAS will be entitled to place appropriate legends on the certificates evidencing any VERITAS common stock to be received by each of the persons who have entered into an affiliate agreement and to issue stop transfer instructions to the transfer agent for VERITAS common stock. The form of affiliate agreement is attached to this proxy statement/ prospectus as Annex C and you are urged to read it in its entirety.

### ***Employment Agreements (see page 71)***

In connection with the merger, four executive officers of Precise, Shimon Alon, Precise's chief executive officer; Itzhak (Aki) Ratner, Precise's president; Benjamin H. Nye, Precise's chief operating officer; and Rami Schwartz, Precise's executive vice president, research and development, have entered into employment agreements with either VERITAS or Precise. These agreements generally provide for compensation arrangements following the merger, severance in the event the executive officers' employment with VERITAS or Precise is terminated under specified circumstances following the merger, and non-competition terms.

### **Required Vote for the Merger (see page 54)**

In general, the affirmative vote of 75% of the ordinary shares of Precise present and voting at a meeting at which a quorum is present will be required for the approval of the merger agreement, the merger and the other transactions contemplated by the merger agreement. However, under Israeli law, if VERITAS, the merger subsidiary or any person or entity holding 25% or more of either the voting power or the right to appoint a director of VERITAS or the merger subsidiary, holds shares in Precise, then there is an additional

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requirement for the approval of Proposal No. 1. The additional requirement is that a majority of the shareholders who are present at the extraordinary meeting, excluding VERITAS, the merger subsidiary or any person or entity holding 25% or more of either the voting power or the right to appoint a director of VERITAS or the merger subsidiary, or anyone acting on their behalf, including their family members or entities under their control, shall not have voted against the merger. For these purposes, abstentions and broker non-votes are not considered to be votes against the merger.

Each ordinary share of Precise has one vote. Directors, each in his or her capacity as a shareholder, officers and other affiliated shareholders of Precise that collectively beneficially own approximately 6.7% of the Precise outstanding ordinary shares as of May 27, 2003, the record date for the extraordinary meeting, have entered into undertakings to vote their shares in favor of approval of the merger agreement, the merger and the other transactions contemplated by the merger agreement. These Precise shareholders were not paid additional consideration in connection with the voting undertakings.

**Other Proposals to be Presented at the Precise Extraordinary Meeting (see pages 95, 97 and 98)**

In addition to approval of the merger agreement, the merger and the other transactions contemplated by the merger agreement, you also will be asked to vote upon an amendment to Precise's articles of association, specified modifications to the terms of share options held by members of Precise's board of directors and upon any motion to adjourn the meeting to solicit additional votes.

The board of directors of Precise approved a resolution to recommend to the shareholders the amendment of Precise's articles of association with respect to indemnification and insurance matters. A copy of the proposed amendment is attached to this proxy statement/ prospectus as Annex E. This amendment requires the approval of a majority of the ordinary shares of Precise present and voting at a meeting at which a quorum is present.

The board of directors of Precise, following the approval and recommendation of the audit committee, approved a modification to accelerate the vesting of Precise share options held by members of the Precise board of directors immediately after the proposed merger, subject to shareholder approval. The period during which share options held by those directors may be exercised following the merger would be extended to the original term of the share option, which is 10 years. Under Israeli law, these modifications of the director share options require the approval of a majority of the ordinary shares of Precise present and voting at a meeting at which a quorum is present.

In addition, the board of directors of Precise determined to recommend to the shareholders approval of any motion to adjourn a meeting at which a quorum is present to a later time to permit further solicitation of proxies if necessary to obtain additional votes in favor of Proposal No. 1, Proposal No. 2 or Proposal No. 3. Such adjournment will require the approval of a majority of the ordinary shares of Precise present and voting on the question of adjournment.

The merger is not contingent on shareholder approval of the amendment of Precise's articles of association, the modifications of the terms of Precise's director share options or approval of any adjournment to solicit additional votes if a quorum is present at the meeting.

The Precise board of directors unanimously recommends that you vote **FOR** the proposal to amend Precise's articles of association, **FOR** the proposal to modify the terms of Precise's director share options and **FOR** the proposal to approve any adjournment to solicit additional votes if a quorum is present at the meeting.



**Table of Contents****SELECTED HISTORICAL AND PRO FORMA COMBINED FINANCIAL DATA**

VERITAS and Precise have provided the following selected historical financial data and selected pro forma combined financial data to aid you in analyzing the financial aspects of the proposed merger. This information is only a summary. You should read it together with VERITAS and Precise's financial statements and other financial information contained in the most recent annual and quarterly reports filed by VERITAS and Precise. See the section titled "Where You Can Find More Information" beginning on page 112 of this proxy statement/prospectus.

**Selected Historical Consolidated Financial Data of VERITAS**

You should read the following table in conjunction with VERITAS's consolidated financial statements and related notes and VERITAS Management's Discussion and Analysis of Financial Condition and Results of Operations, all of which are incorporated by reference in this proxy statement/prospectus. The selected consolidated balance sheet data as of March 31, 2003 and the selected consolidated statement of operations data for the three months ended March 31, 2003 and 2002 have been derived from unaudited financial statements incorporated by reference in this proxy statement/prospectus. The selected consolidated balance sheet data as of December 31, 2002 and 2001 and the selected consolidated statement of operations data for the fiscal years ended December 31, 2002, 2001 and 2000 have been derived from audited financial statements incorporated by reference in this proxy statement/prospectus. The selected consolidated balance sheet data as of December 31, 2000, 1999 and 1998 and the selected consolidated statement of operations data for the fiscal year ended December 31, 1999 and 1998 have been derived from audited financial statements not incorporated by reference in this proxy statement/prospectus.

	<b>Three Months Ended March 31,</b>	
	<b>2003</b>	<b>2002</b>
<b>(in thousands, except per share amounts)</b>		
<b>Consolidated Statement of Operations Data:</b>		
Total net revenue	\$ 394,386	\$ 370,449
Amortization of developed technology	14,782	16,903
Amortization of goodwill and other intangibles	18,191	18,016
In-process research and development	4,100	
Income from operations	66,523	59,921
Net income	\$ 42,526	\$ 44,466
	<b>_____</b>	<b>_____</b>
Net income per share - basic	\$ 0.10	\$ 0.11
	<b>_____</b>	<b>_____</b>
Net income per share - diluted	\$ 0.10	\$ 0.11
	<b>_____</b>	<b>_____</b>
Weighted average number of shares used in computing per share amounts - basic	412,916	406,086
	<b>_____</b>	<b>_____</b>
Weighted average number of shares used in computing per share amounts - diluted	419,380	421,709
	<b>_____</b>	<b>_____</b>

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## Years Ended December 31,

	2002	2001	2000	1999	1998
		(As restated)	(As restated)		
	(in thousands, except per share amounts)				
<b>Consolidated Statement of Operations Data:</b>					
Total net revenue	\$ 1,506,555	\$ 1,491,928	\$ 1,187,441	\$ 596,112	\$ 210,865
Amortization of developed technology	66,917	63,086	62,054	35,659	
Amortization of goodwill and other intangibles	72,064	886,651	879,032	510,943	
Stock-based compensation		8,949			
Acquisition and restructuring costs (reversals)	100,263	(5,000)	(4,260)	11,000	
In-process research and development				104,200	600
Income (loss) from operations	128,305	(548,053)	(567,100)	(475,237)	53,668
Net income (loss)	\$ 57,376	\$ (642,329)	\$ (628,385)	\$ (502,958)	\$ 51,648
Net income (loss) per share basic	\$ 0.14	\$ (1.61)	\$ (1.57)	\$ (1.59)	\$ 0.24
Net income (loss) per share diluted	\$ 0.14	\$ (1.61)	\$ (1.57)	\$ (1.59)	\$ 0.22
Weighted average number of shares used in computing per share amounts basic	409,523	399,016	400,034	316,892	211,558
Weighted average number of shares used in computing per share amounts diluted	418,959	399,016	400,034	316,892	232,519

As of  
March 31,  
2003

As of December 31,

	2002	2001	2000	1999	1998
		(As restated)	(As restated)		
	(in thousands)				
<b>Consolidated Balance Sheet Data:</b>					
Cash, cash equivalents and short-term investments	\$ 2,394,107	\$ 2,241,321	\$ 1,694,860	\$ 1,119,449	\$ 692,381
Working capital	1,935,888	1,880,586	1,545,276	916,084	198,842
Total assets	4,271,405	4,199,633	3,798,376	4,073,278	4,233,277
Convertible subordinated notes	464,497	460,252	444,408	429,176	451,044
Accumulated deficit	(1,703,186)	(1,745,712)	(1,803,088)	(1,160,759)	(532,374)
Stockholders equity	2,947,579	2,883,767	2,723,893	2,973,978	3,393,061

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On January 1, 2002, VERITAS adopted Statement of Financial Accounting Standard ( SFAS ) 142, *Goodwill and Other Intangible Assets*. SFAS 142 requires that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead be tested for impairment at least annually. In the second quarter of 2002, VERITAS completed the transitional goodwill impairment test required by SFAS 142 and did not record an impairment charge upon completion of the test.

The following tables set forth the adjusted net income (loss) and the adjusted basic and diluted net income (loss) per share excluding amortization of goodwill as if VERITAS had adopted the provisions of SFAS 142, on January 1, 1998.

	<b>Three Months Ended March 31,</b>	
	<b>2003</b>	<b>2002</b>
	<b>(in thousands, except per share amounts)</b>	
Net income	\$ 42,526	\$ 44,466
Add back: Goodwill amortization		
Adjusted net income	\$ 42,526	\$ 44,466
Basic net income per share:		
Reported net income	\$ 0.10	\$ 0.11