

LEGATO SYSTEMS INC
Form 425
July 10, 2003

Filed by Legato Systems, Inc.

Pursuant to Rule 425 under the
Securities Act of 1933 and deemed filed
pursuant to Rule 14a-12 under the
Securities Exchange Act of 1934

Subject Company: Legato Systems, Inc.

Commission File No: 000-26130

David B. Wright

Chairman & CEO

July 8, 2003

EMC²

LEGATO

LEGATO into the future

- n Customers demanding complete solutions to manage all their information
- n Legato well-positioned in core markets and in high-growth opportunities in content and messaging management
- n However the combined opportunity is greater
 - n Create the most complete ILM software vendor in the industry
 - n More resources to capture market opportunities
 - n Accelerate growth and profitability

EMC, Strengthening Our Position

- n Shared vision around Information Lifecycle Management approach, with focus on delivering protection, availability and access solutions
- n EMC's scale
 - n Extensive R&D resources
 - n Global distribution and world-class support
 - n Financial strength
- n Highly complementary fit (products, sales)
- n Cultural fit – we know the team well
- n EMC's commitment to Open Software
 - n Legato to operate as a division of EMC to maximize software sales

Information Lifecycle Management: 7 Steps

[GRAPHIC]

Business Goal:
Automate the
management
and protection
of information
for business value

Requirement:
- Access
- Availability
- Protection

Partners are Required to Deliver ILM

[GRAPHIC]

LEGATO s ILM Framework

[GRAPHIC]

EMC & LEGATO: Great Strategic Fit

[GRAPHIC]

EMC Product Map

EMC²

Enterprise SRM	Storage Resource Management	ControlCenter Family / VisualSAN / VisualSRM
Storage	Distributed File System Volume Mgmt. and Virtualization Application Monitoring and Availability (Clustering)	HighRoad PowerPath Volume Manager
Infrastructure	Network Load Balancing	PowerPath
Software	On-Board Replication Server-Based Replication	SRDF / TimeFinder / SnapView / MirrorView / SANCopy
Data	Backup and Recovery Media Management	EDM
Management	Replication Management HSM and Archive Content Management	Replication Manager / Symmetrix Data Mobility Manager Avalon
Software	Content Distribution	OnCourse

EMC & Legato: Great Product Fit

		EMC² / LEGATO
Enterprise SRM	Storage Resource Management	ControlCenter Family / VisualSAN / VisualSRM
	Distributed File System	HighRoad
Storage	Volume Mgmt. and Virtualization	PowerPath Volume Manager
	Application Monitoring and	
Infrastructure	Availability (Clustering)	Application Availability Manager / Co-Standby Server
	Network Load Balancing	PowerPath
Software	On-Board Replication	SRDF / TimeFinder / SnapView / MirrorView / SANCopy
	Server-Based Replication	RepliStor
	Backup and Recovery	EDM
Data	Media Management	NetWorker
	Replication Management	AlphaStor
Management	HSM and Archive	Replication Manager / Symmetrix Data Mobility Manager
		Avalon
		DiskXtender / EmailXtender / ArchiveXtender
Software	Content Management	ApplicationXtender
	Content Distribution	OnCourse

EMC & LEGATO: Powerful Combination

based on 2002 data

	<u>EMC</u>	<u>Legato</u>	<u>Combined</u>
Revenues	\$5.5B	\$280M	\$5.8B
	Systems \$2.996B	Systems N/A	Systems \$2.996B
	Software \$1.249B	Software \$138M	Software \$1.387B
	Services \$1.275B	Services \$142M	Services \$1.417B
SW license revenue as % of total	23%	49%	24%
Assets	\$9.6B	\$472M	\$10.1B
Employees	17,200	1,500	18,700

Totals may not foot and may not agree to other schedules due to rounding

LEGATO, a division of EMC

Structure:

- n LEGATO's sales/distribution will remain independent to maintain our focus on open software, led by David Wright and other members of senior management team.
- n David Wright will be President of LEGATO division and EVP of EMC

Sales:

- n We will leverage EMC's Global Account presence and direct sales organization to accelerate revenue growth
- n Over time, our independent selling capability will be leveraged to sell additional Open Software products
- n Our sales org remains as-is, focused on revenue growth

LEGATO, a division of EMC

Product & Development:

- n Development brought together under one team, matrixed with Mark Lewis, EVP, Open Software and CTO of EMC
- n EMC will continue to support EDM & offer free customer upgrades to NetWorker
- n NetWorker will become the primary backup/recovery offering we will incorporate key EDM features
- n LEGATO brand retained

Announcement Specifics

- n On July 8th EMC announced their intent to acquire LEGATO in an all-stock deal valued at approximately \$1.3 billion USD.
- n Based on LGTO stock price over last 30-60 days, represents a 17-27% premium; based on price as of 7/7/03, represents a 16% premium.
- n Stock exchange ratio: 0.9 shares of EMC for every share of LEGATO.
- n Deal anticipated to close in Q403.
- n Requires LEGATO shareholders approval via proxy vote. The deal also requires customary regulatory approvals.

EMC²

LEGATO

Information. Leadership. Always.

[LOGO]

Keeping the World's Business-Critical Information Available

www.legato.com

Additional Information and Where to Find it

In connection with the proposed transaction, EMC and LEGATO intend to file a proxy statement/prospectus with the U.S. Securities and Exchange Commission (the "SEC"). Investors and security holders of EMC and LEGATO are advised to read the proxy statement/prospectus when it becomes available, because it will contain important information about EMC, LEGATO and the proposed transaction. Investors and security holders may obtain a free copy of the proxy statement/prospectus, when available, and other documents filed by EMC and LEGATO with the SEC at the SEC's website at www.sec.gov. Free copies of the proxy statement/prospectus, when available, 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.

Legato, its directors and executive officers may be deemed to be participants in the solicitation of proxies from Legato stockholders in favor of the proposed transaction. A description of the interests of the directors and executive officers of Legato is set forth in Legato's proxy statement for its 2003 annual meeting, which was filed with the SEC on April 30, 2003. Investors and security holders may obtain additional information regarding the interests of such potential participants by reading the definitive proxy statement/prospectus and the other relevant documents filed with the SEC when they become available.