

NETWORKS ASSOCIATES INC/

Form S-4/A

August 15, 2002

As filed with the Securities and Exchange Commission on August 15, 2002

Registration No. 333-91746

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 6 to
Form S-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Networks Associates, Inc.

(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)*

77-0316593
*(I.R.S. Employer
Identification Number)*

3965 Freedom Circle

Santa Clara, California 95054
(408) 988-3832
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

George Samenuk
Chairman and Chief Executive Officer
3965 Freedom Circle
Santa Clara, California 95054
(408) 988-3832
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:
Jeffrey D. Saper, Esq.
Kurt J. Berney, Esq.
Michael J. Kennedy, Esq.
Jack Helfand, Esq.
Wilson Sonsini Goodrich & Rosati, P.C.
650 Page Mill Road
Palo Alto, California 94304

Approximate date of commencement of proposed sale to the public: as promptly as practicable after this registration statement becomes effective and upon consummation of the transactions described in the enclosed prospectus.

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: ☐

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: ☐

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Offering Price Per Share	Aggregate Offering Price(2)	Amount of Registration Fee(3)
Common Stock, \$0.01 par value	9,002,182 shares	Not Applicable	\$63,815,464	\$5,872

- (1) Represents the estimated maximum number of shares of Networks Associates, Inc. common stock issuable upon consummation of the offer and the merger of Networks Associates, Inc. with McAfee.com Corporation after giving effect to the exchange ratio of 0.675 of a share of Network Associates common stock for each share of Class A common stock of McAfee.com.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457 promulgated under the Securities Act of 1933, as amended, based on the product of (i) \$12.785, the average of the high and low sales prices of McAfee.com Class A common stock as reported on the Nasdaq National Market on August 12, 2002 and (ii) 13,336,565, the expected maximum number of shares of McAfee.com Class A common stock to be acquired in the offer and the merger (including exercisable options), minus (iii) \$106,692,520, the aggregate cash consideration expected to be paid for such shares.
- (3) 0.0092% of the Proposed Maximum Aggregate Offering Price. This fee has been previously paid.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Information contained in this prospectus may change. We may not complete the exchange offer and issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state or other jurisdiction where the offer is not permitted.

Networks Associates, Inc.

Offer to Exchange

0.675 of a Share of Common Stock

of

Networks Associates, Inc. plus

\$8.00 in Cash

for

Each Outstanding Share of Class A Common Stock

of

McAfee.com Corporation

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT

12:00 MIDNIGHT, EASTERN TIME, ON SEPTEMBER 12, 2002, UNLESS EXTENDED.

This prospectus relates to the offer by Networks Associates, Inc. to exchange shares of its common stock and cash for each outstanding share of Class A common stock of McAfee.com Corporation that is validly tendered and not properly withdrawn on or prior to the expiration of the offer, upon the terms and subject to the conditions specified in this prospectus. Network Associates has revised the consideration payable in the offer from 0.90 of a share of Network Associates to 0.675 of a share of Network Associates common stock plus \$8.00 in cash, without interest, for each share of McAfee.com Class A common stock. Our revised offer represents a 20% premium over the closing price of McAfee.com common stock on August 12, 2002, based upon the respective closing prices of McAfee.com and our common stock on that date, the last trading day prior to the announcement of our revised offer. The offer will remain open until 12:00 midnight, Eastern Time, September 12, 2002, unless extended.

The offer is being made directly to McAfee.com stockholders and conditioned on the tender of a sufficient number of shares of McAfee.com Class A common stock such that, after consummation of the offer, we would own at least 90% of the outstanding common stock of McAfee.com. We have the right to waive or reduce the number of McAfee.com Class A common stock required to be tendered in the offer. In no event, however, will we exchange McAfee.com shares in the offer if less than a majority of the outstanding McAfee.com shares, excluding shares beneficially owned by Network Associates, are tendered in the offer. Our offer is also subject to other conditions described herein in Conditions of the Offer.

If the conditions to the offer are met and the offer is completed, Network Associates will effect a short-form merger of McAfee.com into Network Associates, unless it is not lawful to do so. If you have not validly tendered your McAfee.com shares in the offer, your shares will be exchanged in the merger for the same number of shares of Network Associates common stock and cash that you would have received if you had tendered your shares in the offer (unless you perfect your appraisal rights under Delaware law). See The Offer Purpose of the Offer; The Merger; Appraisal Rights. If the offer is completed, no further McAfee.com stockholder or board action is required for us to complete the merger. As a result of the offer and the merger, McAfee.com will no longer exist as a separate company, the former stockholders of McAfee.com will receive shares of Network Associates common stock and cash, and McAfee.com shares will no longer trade publicly.

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This prospectus amends and supercedes information included in the prospectus, as supplemented, originally filed with the Securities and Exchange Commission on July 2, 2002. Stockholders who wish to tender should follow the instructions included in this prospectus and the letter of transmittal being mailed with this prospectus.

See Risk Factors beginning on page 16 for a discussion of issues that you should consider with respect to the offer and the merger.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or this exchange offer, passed on the merits or fairness of this transaction, or determined if the prospectus is accurate or complete. Any representation to the contrary is a criminal offense. Investors should not infer that the SEC's pending investigation of Network Associates has been completed or is near completion as a result of the registration statement of which this prospectus is a part being declared effective.

The date of this prospectus is August 15, 2002.

THIS DOCUMENT INCORPORATES IMPORTANT BUSINESS AND FINANCIAL INFORMATION ABOUT NETWORK ASSOCIATES AND McAfee.COM FROM DOCUMENTS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION THAT HAVE NOT BEEN INCLUDED IN OR DELIVERED WITH THIS DOCUMENT. THIS INFORMATION IS AVAILABLE AT A WEB SITE MAINTAINED BY THE SEC AT WWW.SEC.GOV, AS WELL AS FROM OTHER SOURCES. SEE WHERE YOU CAN FIND MORE INFORMATION BEGINNING ON PAGE 14.

YOU MAY ALSO REQUEST COPIES OF THESE DOCUMENTS FROM US, WITHOUT CHARGE, UPON WRITTEN OR ORAL REQUEST TO OUR INFORMATION AGENT D.F. KING & CO., INC., 77 WATER STREET, NEW YORK, NEW YORK 10005, 1-800-549-6746. TO ENSURE TIMELY DELIVERY OF THESE DOCUMENTS, ANY REQUEST SHOULD BE MADE BY SEPTEMBER 5, 2002. IF YOU REQUEST ANY SUCH DOCUMENTS FROM US, WE WILL MAIL THEM TO YOU BY FIRST CLASS MAIL, OR ANOTHER EQUALLY PROMPT MEANS, WITHIN ONE BUSINESS DAY AFTER WE RECEIVE YOUR REQUEST.

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SUMMARY

This summary highlights selected information from this prospectus and may not contain all of the information that is important to you. To better understand the proposed offer and merger, you should read this entire document carefully, as well as those additional documents to which we refer you. See Where You Can Find More Information.

Introduction

We are offering to exchange 0.675 of a share of Network Associates common stock plus \$8.00 in cash, without interest, for each share of McAfee.com Class A common stock validly tendered and not properly withdrawn in the offer. As a Network Associates stockholder, you will continue to participate in the ownership of McAfee.com's business and also have an ownership interest in Network Associates' other businesses. The cash component of our offer also offers you immediate liquidity.

The purpose of the offer and the merger is to acquire all of the McAfee.com Class A common stock. We currently own all 36,000,000 outstanding shares of McAfee.com Class B common stock, or approximately 75% of the outstanding common stock of McAfee.com. Our offer is conditioned on the tender of a sufficient number of shares of McAfee.com Class A common stock such that, after the offer is completed, we would own at least 90% of the outstanding shares of McAfee.com common stock. We have the right to waive or reduce the number of McAfee.com Class A common stock required to be tendered in the offer. In no event, however, will we exchange McAfee.com shares in the offer if less than a majority of the outstanding McAfee.com shares, excluding shares beneficially owned by Network Associates, are tendered in the offer.

If the conditions to the offer are met and the offer is completed, we will own at least 90% of the outstanding common stock of McAfee.com. As soon as practicable after the completion of the offer, we will effect a short-form merger of McAfee.com into Network Associates, unless it is not lawful to do so. If you have not validly tendered your McAfee.com shares in the offer, your shares will be exchanged in the merger for the same number of shares of Network Associates common stock and cash that you would have received if you had tendered your shares in the offer (unless you properly perfect your appraisal rights under Delaware law). See The Offer Purpose of the Offer; The Merger; Appraisal Rights. If the offer is completed, no further McAfee.com stockholder or board action is required for us to complete the merger. As a result of the offer and the merger, McAfee.com will cease to exist as a separate company and the former public stockholders of McAfee.com will receive shares of Network Associates common stock and cash. McAfee.com shares will no longer trade publicly.

The Companies

Networks Associates, Inc.

3965 Freedom Circle
Santa Clara, California 95054
(408) 988-3832

Network Associates is a leading supplier of network security and network management solutions. We operate through two businesses consisting of our infrastructure business and McAfee.com. Our infrastructure business is operated in six geographic regions: the United States, Europe, Japan, Canada, Asia-Pacific and Latin America.

To more effectively market our infrastructure products in our various geographic regions, we have combined complementary products into separate product groups, as follows:

McAfee, which delivers world-class anti-virus and security products and services;

Sniffer Technologies, which is a leader in network availability and system security products; and

Magic Solutions, which is a leading provider of web-based service desk solutions.

In the fourth quarter of 2001, we substantially completed integrating the activities of our PGP product group into our McAfee and Sniffer product groups. Earlier in 2001, we integrated the activities of myCIO.com into our McAfee product group. Recently, we completed the sale of our firewall business.

Network Associates owns 100% of McAfee.com's Class B common stock. The Class B common stock currently represents approximately 75% of the economic interest in, and approximately 90% of the total voting power of, McAfee.com. McAfee.com's Class B common stock is identical to its Class A common stock, except that the Class A common stock has one vote per share and the Class B common stock has three votes per share and the Class B common stock is convertible at any time into shares of Class A common stock. We do not currently own any shares of McAfee.com's Class A common stock. Immediately prior to the closing of the merger of McAfee.com into Network Associates, we will convert our shares of McAfee.com Class B common stock into shares of McAfee.com Class A common stock.

McAfee.com Corporation

535 Oakmead Parkway
Sunnyvale, California 94085
(408) 992-8100

McAfee.com is a security application service provider, or ASP, delivering security applications software and related services through an Internet browser. The McAfee.com applications allow users to detect and eliminate viruses on their PCs, repair their PCs from damage caused by viruses, optimize their hard drives and update their PCs' virus protection system with current software patches and upgrades. McAfee.com also offers customers access to McAfee.com Personal Firewall, McAfee.com Wireless Security Center and McAfee.com Internet Privacy Service.

Under the terms of our technology cross licensing agreement with McAfee.com, McAfee.com's business has historically been targeted at consumers. In March 2001, we entered into a reseller agreement with McAfee.com allowing it to expand its product offerings to businesses. McAfee.com for Business is a website serving the security needs for small and medium-sized businesses delivering managed applications services that allow businesses to provide anti-virus and firewall security for their desktop PCs.

Summary of the Offer

We are offering, upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal being mailed to stockholders with this prospectus, to exchange 0.675 of a share of Network Associates common stock plus \$8.00 in cash, without interest, for each outstanding share of Class A common stock of McAfee.com that is validly tendered on or prior to the expiration date and not properly withdrawn. See "The Offer."

The term "expiration date" means 12:00 midnight, Eastern Time, on September 12, 2002, unless we extend the period of time for which this offer is open, in which case the term "expiration date" means the latest time and date on which the offer, as so extended, expires.

Rule 13e-3 Network Associates' Position Regarding Fairness

Because Network Associates is an affiliate of McAfee.com and the revised offer includes a cash component, the transactions contemplated herein constitute a "going private" transaction under Rule 13e-3 of the Securities Exchange Act of 1934, or the Exchange Act. Rule 13e-3 requires, among other things, that certain financial information concerning McAfee.com and certain information relating to the fairness of the offer and the merger and the consideration offered to stockholders of McAfee.com that are not affiliated with Network Associates be filed with the SEC and disclosed to you prior to consummation of the offer and merger. That information is provided in or incorporated by reference into this prospectus.

Network Associates believes that the offer and the merger are financially and procedurally fair to the unaffiliated McAfee.com stockholders within the meaning of Rule 13e-3. See "Special Factors and Background Network Associates' Position Regarding the Fairness of the Offer and Merger" on page 42.

Conditions to the Completion of the Offer

Our obligation to exchange shares of our common stock and cash for McAfee.com shares pursuant to the offer is subject to a number of conditions described more fully under Conditions of the Offer, including the following:

the tender of a sufficient number of shares in the offer such that, after the offer is completed, we would own at least 90% of the outstanding Class A common stock of McAfee.com (assuming conversion of the McAfee.com Class B common stock we currently own into McAfee.com Class A common stock), provided that we have the right to waive or reduce the number of McAfee.com Class A common stock shares required to be tendered in the offer. In no event, however, will we exchange McAfee.com shares in the offer if less than a majority of the outstanding McAfee.com shares, excluding shares beneficially owned by Network Associates, are tendered in the offer;

the shares of Network Associates common stock to be issued in the offer and the merger having been approved for listing on the New York Stock Exchange, subject to official notice of issuance;

the registration statement of which this prospectus is a part having been declared effective by the SEC;

the absence of any threatened or pending litigation or other legal action relating to the offer or the merger, or any litigation or other legal action threatened or brought by McAfee.com, its board of directors or any special committee thereof against Network Associates;

there not having occurred any material adverse change in the financial markets, any disruption in the banking system or any commencement of a war involving the United States;

no offer to acquire Network Associates or McAfee.com (other than this offer) shall have been proposed;

there not having occurred any event that, in our good faith reasonable judgment, resulted in an actual or threatened material adverse change in the business or condition of Network Associates or McAfee.com;

the board of directors of McAfee.com or any committee thereof shall not have adopted or implemented any structural defense or entered into any transaction or arrangement outside the ordinary course of business which would or might restrain, prohibit or otherwise adversely affect the offer or the merger or materially impair the contemplated benefits of the offer or the merger;

if the board of directors of McAfee.com or any committee thereof recommends the offer, it shall not have changed or modified its recommendation with respect to the offer;

the McAfee.com board of directors shall not have formed or authorized the formation of any executive or special committee, other than any special committee of outside and independent directors of McAfee.com's board of directors that may be formed in connection with the recommendation or consideration of this offer and the filing of any documents required under the U.S. tender offer rules; and

the absence of any event which would prevent us from effecting the offer or the merger after the completion of the offer.

We will not waive the New York Stock Exchange listing condition or the registration statement effectiveness condition of the offer, and our ability to waive the minimum tender condition is restricted as set forth above. If the conditions of the offer are satisfied, or, to the extent permitted, waived prior to the expiration of the offer, we will complete the offer and, unless it is unlawful to do so, we will effect the merger as soon as practicable thereafter. All conditions, other than those related to any required governmental or regulatory conditions, will be satisfied or waived before the expiration of the offer.

Timing of the Offer

Our offer is currently scheduled to expire on September 12, 2002; however, we may extend our offer from time to time as necessary until all the conditions to the offer have been satisfied or, where permissible, waived. We may also provide for a subsequent offer period after the scheduled expiration date of the offer. See **The Offer** Extension, Termination and Amendment.

Extension, Termination and Amendment

We expressly reserve the right, in our sole discretion, at any time or from time to time, to extend the period of time during which our offer remains open if any condition to the offer has not been satisfied, and we can do so by giving oral notice followed by written notice of such extension to the exchange agent. If we decide to extend our offer, we will make an announcement to that effect no later than 9:00 a.m., Eastern Time, on the next business day after the previously scheduled expiration date, and advise stockholders at such time of the approximate number of shares that have been tendered to date as required by Rule 14e-1(d) under the Exchange Act. We are not making any assurances that we will exercise our right to extend our offer, although we may do so until all conditions have been satisfied, or where permissible, waived. During any such extension, all McAfee.com shares previously tendered and not properly withdrawn will remain subject to the offer and subject to your right to withdraw your McAfee.com shares.

Subject to the SEC's applicable rules and regulations, we also reserve the right, in our sole discretion, at any time or from time to time, (1) to delay our acceptance for exchange or our exchange of any McAfee.com shares pursuant to the offer, regardless of whether we previously accepted McAfee.com shares for exchange, or to terminate our offer and not accept for exchange or exchange any McAfee.com shares not previously accepted for exchange or exchanged, upon the failure of any of the conditions of the offer to be satisfied and (2) to waive any condition (subject to the limits on waiver described under **Conditions to the Completion of the Offer**) or otherwise to amend the offer in any respect, by giving oral followed by written notice of such delay, termination or amendment to the exchange agent and by making a public announcement. We will follow any extension, termination, amendment or delay, as promptly as practicable, with a public announcement. In the case of an extension, any such announcement will be issued no later than 9:00 a.m., Eastern Time, on the next business day after the previously scheduled expiration date, and such announcement shall indicate the approximate number of shares of McAfee.com Class A common stock tendered as of the previously scheduled expiration date. Subject to applicable law (including Rules 14d-4(d) and 14d-6(c) under the Exchange Act, which require that any material change in the information published, sent or given to the stockholders in connection with the offer be promptly sent to stockholders in a manner reasonably designed to inform stockholders of such change) and without limiting the manner in which we may choose to make any public announcement, we assume no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to the public news services.

Subsequent Offering Period

We may provide for a subsequent offering period after the completion of the initial offer period in accordance with Rule 14d-11 under the Exchange Act.

Exchange of Shares; Delivery of Network Associates Common Stock

Upon the terms and subject to the conditions of our offer, we will accept for exchange, and will exchange 0.675 of a share of Network Associates common stock plus \$8.00 in cash, without interest, for each share of McAfee.com Class A common stock validly tendered and not properly withdrawn as promptly as practicable after the expiration date and promptly after they are tendered during any subsequent offering period.

Withdrawal Rights

McAfee.com shares tendered pursuant to the offer may be withdrawn at any time prior to the expiration date. See **The Offer** Withdrawal Rights.

Procedure for Tendering Shares

To validly tender your McAfee.com shares pursuant to the offer, (1) you must complete, execute and transmit a letter of transmittal, along with any required signature guarantees, or an agent's message, in connection with a book-entry transfer, and any other required documents, to the exchange agent at one of the addresses set forth on the back cover of this prospectus and certificates for tendered McAfee.com shares must be received by the exchange agent at such address, or those McAfee.com shares must be tendered pursuant to the procedures for book-entry tender set forth in *The Offer* (and a confirmation of receipt of such tender received), in each case before the expiration date, or (2) you must comply with the guaranteed delivery procedures set forth in *The Offer* *Guaranteed Delivery*.

The Merger

If the conditions to the offer are met and the offer is completed, we will own at least 90% of the outstanding common stock of McAfee.com. As soon as practicable after the completion of the offer, we will effect a short-form merger of McAfee.com into Network Associates, unless it is not lawful to do so. If you have not validly tendered your McAfee.com shares in the offer, your shares will be exchanged in the merger for the same number of shares of Network Associates common stock and cash that you would have received if you had tendered your shares in the offer (unless you perfect your appraisal rights under Delaware law). See *The Offer* *Purpose of the Offer*; *The Merger*; *Appraisal Rights*. If the offer is completed, no further McAfee.com stockholder or board action is required for us to complete the merger.

Appraisal Rights

You are not entitled to appraisal rights in connection with the offer. However, at the time of the merger, McAfee.com stockholders who did not tender their shares in the offer will have the right under Delaware law to dissent and demand appraisal rights with respect to their McAfee.com shares, if they comply with certain statutory requirements. We will send such stockholders information regarding these requirements. See *The Offer* *Purpose of the Offer*; *The Merger*; *Appraisal Rights*.

Certain United States Federal Income Tax Consequences

Assuming that the merger of McAfee.com into Network Associates occurs following the completion of the offer, you will be required to recognize gain for United States federal income tax purposes on the exchange of your McAfee.com shares for Network Associates common stock and cash, but only to the extent of the cash received. You will not be permitted to recognize any loss on the exchange. You will, however, recognize gain or loss upon the receipt of any cash instead of fractional shares of Network Associates common stock and for cash received if you perfect appraisal rights. See *Material United States Federal Income Tax Consequences*.

Accounting Treatment

Network Associates' acquisition of the McAfee.com minority interest shares through the offer and the merger will be accounted for using the purchase method of accounting, as prescribed by Statement of Financial Accounting Standards (SFAS) No. 141, *Business Combinations*. Accordingly, the purchase price will be allocated to the minority interest portion of the estimated fair value of identifiable net assets acquired. Any excess purchase price remaining after this allocation will be accounted for as goodwill, which will not be amortized.

The acquisition of the McAfee.com Class A common stock would not be considered material to Network Associates and, accordingly, we are not required to include pro forma financial information in this prospectus, except as provided in *Comparative Per Share Data* on page 28.

The assumption of options to purchase Class A common stock of McAfee.com by Network Associates in the merger will be accounted for under the guidance in Emerging Issues Task Force Issue Number 00-23 *Issues Related to the Accounting for Stock Compensation* under APB Opinion No. 25 and Interpretation

No. 44, Accounting for Certain Transactions Involving Stock Compensation an Interpretation of APB Opinion No. 25. Accordingly, these options will be subject to variable accounting treatment, which means that a compensation charge will be measured initially at the date of the closing of the merger and then remeasured on an ongoing basis at the end of each reporting period. The initial charge will be based on the excess of the closing price of our stock over the exercise price of the options plus the \$8.00 per share in cash, which will be paid upon exercise of the option. The charge is remeasured, using the same methodology, until the earlier of the date of exercise, forfeiture or cancellation without replacement. This compensation charge will be recorded as an expense over the remaining vesting period of the options, using the accelerated method of amortization under FASB Interpretation No. 28 Accounting for Stock Appreciation Rights and Other Variable Stock Option or Award Plans. To the extent that the options issued are fully vested, we will record a compensation expense immediately.

Risk Factors

In deciding whether to tender your shares pursuant to the offer, you should carefully read this prospectus, including the risk factors, as well as the documents incorporated by reference into this prospectus. See Risk Factors beginning on page 16 for a more complete discussion of these and other factors to consider in connection with the offer and the merger.

QUESTIONS AND ANSWERS ABOUT THE OFFER

The following are some of the questions that you may have as a McAfee.com stockholder and the answers to those questions. We urge you to read carefully the remainder of this prospectus and the related letter of transmittal because the information in this section is not complete. Additional important information is contained in the remainder of this prospectus and the letter of transmittal.

Q: Why is Network Associates making the offer?

A: We currently own 36,000,000 shares of McAfee.com Class B common stock. These shares represent approximately 75% of all the outstanding McAfee.com common stock. We are making this offer for the purpose of acquiring all the outstanding shares of McAfee.com's Class A common stock, none of which we own, in order to recombine Network Associates and McAfee.com.

Our offer is conditioned on the tender of a sufficient number of shares of McAfee.com Class A common stock such that, after the offer is completed, we would own at least 90% of all the outstanding shares of McAfee.com common stock. We may waive or modify this condition. However, we will not complete the offer if less than a majority of the shares held by McAfee.com stockholders, other than Network Associates are tendered in the offer.

If the conditions to the offer are met and the offer is completed, as soon as practicable thereafter, we will effect a short-form merger of McAfee.com into Network Associates, unless it is not lawful to do so. If you have not validly tendered your McAfee.com shares in the offer, your shares will be exchanged in the merger for the same number of shares of Network Associates common stock and cash that you would have received if you had tendered your shares in the offer (unless you perfect your appraisal rights under Delaware law). See "The Offer Purpose of the Offer; The Merger; Appraisal Rights" on page 59. If the offer is completed, no further McAfee.com stockholder or board action is required for us to complete the merger. As a result of the offer and the merger, McAfee.com will cease to exist as a separate company and the former public stockholders of McAfee.com will receive Network Associates common shares and cash. McAfee.com shares will no longer trade publicly.

Q: Why did Network Associates revise its offer?

A: We revised the offer to increase its overall value to \$15.43 (based on the closing price for Network Associates and McAfee.com's common stock on August 12, 2002).

Q: What will I receive in exchange for my McAfee.com shares?

A: For each outstanding share of McAfee.com Class A common stock that you validly tender and do not properly withdraw, you will receive 0.675 of a share of Network Associates common stock plus \$8.00 in cash, without interest. In lieu of any fractional share of Network Associates common stock, you will receive cash.

Q: Why did Network Associates change the offer consideration to include both stock and cash?

A: Based on a number of factors, including the decline in the value of our common stock since we commenced our offer, we determined that a mix of stock and cash would be attractive to McAfee.com stockholders while avoiding additional dilution to the Network Associates stockholders through the issuance of additional shares of Network Associates common stock.

Q: Has Network Associates determined that the offer is fair to McAfee.com stockholders that are not affiliated with Network Associates?

A: We believe that the offer and merger are fair to the unaffiliated McAfee.com stockholders. Because our revised offer now contains a cash component, the offer and merger now constitute a "going private" transaction under Rule 13e-3, which requires that we state whether we believe the transaction is fair to unaffiliated stockholders.

Q: What factors were relied upon in arriving at our conclusion that the offer is fair to unaffiliated McAfee.com stockholders?

A: Among other factors, the following factors support our belief that the offer and merger are fair to the unaffiliated McAfee.com stockholders:

as of August 12, 2002, the \$15.43 value of our revised offer represented a premium of approximately 20% over the \$12.84 closing market price for McAfee.com common stock on that day;

the cash portion of the offer consideration provides immediate liquidity to McAfee.com stockholders and will not be impacted by any fluctuations in our stock price;

McAfee.com's stockholders, through ownership of Network Associates common stock, will continue to participate in McAfee.com's business and Network Associates' other businesses and will participate in any future upside potential in our common stock, which as described elsewhere in this prospectus, we believe has recently been adversely affected by a number of events;

the Network Associates shares received in the offer and merger will be received on a tax-free basis, assuming the merger of McAfee.com into Network Associates occurs;

the Network Associates shares received in the offer and merger are more liquid compared to McAfee.com shares;

we will not complete the offer if less than a majority of the shares held by McAfee.com stockholders, other than Network Associates, are tendered in the offer;

the McAfee.com board has appointed a special committee of independent outside directors to consider the offer and make a recommendation; and

the McAfee.com special committee has retained financial and legal advisors to assist the special committee in its review of the offer.

See "Special Factors and Background - Network Associates' Position Regarding the Fairness of the Offer and Merger" on page 42.

Q: How does the revised offer differ from the previous offer that was withdrawn in April?

A: Except for the change to the offer consideration from an exchange ratio of 0.78 of a share of Network Associates common stock to a combination of 0.675 of a share of Network Associates common stock plus \$8.00 in cash, without interest, the other terms of the offer are the same as those previously recommended in April 2002 by a special committee of the outside and independent directors of the McAfee.com board of directors with minor modifications to the conditions. We modified the conditions generally to ensure that (1) McAfee.com is operated in the ordinary course consistent with past practices during the pendency of our offer and (2) you, as a McAfee.com stockholder, are provided an opportunity to consider our offer without the McAfee.com board implementing structural impediments to the offer. The McAfee.com board currently has five members only two of whom, George Samenuk and Stephen Richards, are currently officers and/or directors of Network Associates.

Q: Why was Network Associates' first offer withdrawn in April?

A: We discovered accounting inaccuracies in our 1998, 1999 and 2000 financial statements requiring the restatement of the financial statements covering those periods. In light of this anticipated restatement, we withdrew the pending exchange offer on April 25, 2002. On May 17, 2002, we announced that our audit committee had completed the internal investigation and on June 28, 2002 we filed restated financial statements with the SEC.

Q: Did the prior inaccuracies affect recent operating results?

A: No. Although previously reported operating results for fiscal years 1998, 1999 and 2000 were affected, the inaccuracies did not impact operating results for 2001 or the six months ended June 30, 2002. For more

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information on the restatement, please see Note 3 of the Notes to our Consolidated Financial Statements contained in our Forms 10-K/ A for fiscal years 2001 and 2000 filed with the SEC on June 28, 2002.

Q: What are Network Associates' reasons for making the offer?

A: In 1999, we undertook the initial public offering of a minority interest in McAfee.com to achieve a number of objectives, including establishing the viability of, and developing the related technology required to pursue, McAfee.com's application service provider, or ASP, business model targeted at consumers. Since March 2001, McAfee.com has also offered products and services to small to medium-sized businesses. We offer anti-virus and other products that compete with McAfee.com's products in these markets. In early 2001, we adopted a strategy to, among other things, reposition our business to better focus our product offerings and product development efforts and to eliminate overlapping objectives between our business units.

Our reasons for pursuing the offer and merger include:

the expectation that the recombination of McAfee.com's business with ours will enhance prospects for the combined company due to:

the reduction or elimination of customer, market and brand confusion due to the similarity in the company products, names and web addresses;

the reduction or elimination of actual and potential conflicts between the companies and their sales forces, and related senior management distraction, due to confusion over market boundaries;

the expectation that a recombined company could more effectively and cost-efficiently target the consumer market and the small to medium-sized business market for ASP products and services; and

opportunities for reduced costs;

the recombination is consistent with our strategy of better focusing our product offerings and product development efforts and eliminating overlapping business objectives of our business units; and

our belief that the objectives leading to the initial public offering of McAfee.com have been largely achieved or are no longer applicable.

See "Special Factors and Background" Formation of McAfee.com and Its IPO, on page 33; "Network Associates' Recent Business Focus," on page 33; and "Network Associates' Timing and Reasons for the Offer and Merger," on page 40.

Q: What are some of the other factors I should consider in deciding whether to tender my McAfee.com shares?

A: In addition to the factors described elsewhere in this prospectus, you should consider the following:

McAfee.com stock has traded historically at significantly higher price-to-earnings multiples than Network Associates' common stock;

As a stockholder of Network Associates, your interest in the performance and prospects of McAfee.com will be only indirect and in proportion to your share ownership in Network Associates. You therefore may not realize the same financial benefits of any future appreciation in the value of McAfee.com business that you may realize if the offer or merger are not completed and you remain a McAfee.com stockholder; and

Because we own approximately 75% of McAfee.com's total outstanding common stock, and approximately 90% of McAfee.com's total voting power, and we do not intend to sell our McAfee.com shares, the possibility of a third party offer to acquire McAfee.com is remote.

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We describe various factors you should consider in deciding whether to tender your shares under Risk Factors beginning on page 16 and Special Factors and Background Other Factors to Consider Before Tendering Your Shares beginning on page 44.

- Q: What percentage of Network Associates common stock will the unaffiliated McAfee.com stockholders receive in the offer and the merger?
- A: McAfee.com stockholders (other than Network Associates) currently own approximately 25% of McAfee.com. We anticipate that McAfee.com stockholders (other than Network Associates) will own approximately 5% of Network Associates outstanding common stock after giving effect to the offer and the merger. This assumes that approximately 147.7 million shares of Network Associates common stock are outstanding before giving effect to the offer and the merger, approximately 8.1 million shares of Network Associates common stock will be issued in the offer and the merger, no McAfee.com stockholders perfect appraisal rights and no stock options are exercised prior to the closing of the offer and the merger.
- Q: When does Network Associates expect to complete the offer and the merger?
- A: We expect to complete the offer on September 12, 2002, the scheduled expiration date. However, we may extend the offer if the conditions to the offer have not been satisfied at the scheduled expiration date or if we are required to extend the offer by the rules of the SEC. We expect to complete the merger as soon as practicable after we complete the offer.
- Q: What happens if Network Associates does not complete the offer?
- A: If we do not successfully complete the offer, your McAfee.com shares will remain outstanding, and we would expect to evaluate whether we should continue to pursue the acquisition of that portion of McAfee.com that we do not own. See The Offer Conduct of Network Associates if the Offer is Not Completed.
- Q: Has the McAfee.com board formed a special committee of independent directors to evaluate Network Associates revised offer?
- A: McAfee.com did form a special committee comprised of Frank Gill and Richard Schell, the outside and independent members of McAfee.com's board, to evaluate our previous offer and the current offer. We expect these individuals, acting as a special committee, will evaluate the current revised offer.
- Q: Has the McAfee.com special committee recommended that I tender my shares in the revised offer?
- A: The McAfee.com special committee has not made a recommendation regarding our revised offer. However, the McAfee.com special committee did determine that the old 0.90 exchange ratio was inadequate. A special committee of outside and independent directors was formed because two of McAfee.com's directors, George Samenuk and Stephen Richards, are also officers and/or directors of Network Associates, and a third McAfee.com director, Srivats Sampath, also has a conflict of interest in regard to the offer.

Several of the conditions to our offer are applicable to the actions of the McAfee.com board of directors:

McAfee.com shall not have commenced or threatened any litigation or other legal proceedings against us or our board of directors.

If the McAfee.com board of directors or any committee thereof recommends our offer to the holders of the outstanding shares of McAfee.com Class A common stock, the McAfee.com board of directors or such committee shall not have changed or modified its recommendation with respect to the offer.

The McAfee.com board of directors or any committee thereof shall not have (1) adopted or implemented any structural defense, including adoption of a stockholders rights plan or any debt, stock or other equity issuance or retention program or policy, or (2) entered into any transaction or arrangement outside the ordinary course of business consistent with past practice, including any licensing or severance arrangement, in the case of either (1) or (2) not approved in writing by Network

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Associates prior to such adoption, implementation, agreement or arrangement, which in the judgment of Network Associates would or might restrain, prohibit or delay consummation of, or alter or materially increase the cost of or otherwise affect, the offer or the merger.

The McAfee.com board of directors shall not have formed or authorized the formation of any executive or special committee, other than any special committee of outside and independent directors of McAfee.com's board of directors that may be formed in connection with the recommendation or consideration of this offer and the filing of any documents required under the U.S. tender offer rules.

Q: If I decide not to tender, how will the offer affect my McAfee.com shares?

A: If you decide not to tender your McAfee.com shares in the offer and we complete the offer and the merger, you will receive in the merger the same number of shares of Network Associates common stock and cash that you would have received if you had tendered your shares in the offer (unless you perfect your appraisal rights under Delaware law). We will effect the merger as soon as practicable after completion of the offer, unless it is unlawful to do so. See The Offer Purpose of the Offer; The Merger; Appraisal Rights on page 59.

Q: Do I need a new letter of transmittal to exchange my shares in the revised offer?

A: Yes. All McAfee.com stockholders who wish to tender their shares in the revised offer should follow the instructions included in this prospectus and the pink letter of transmittal mailed to you with this prospectus.

Q: How do I participate in the offer?

A: To tender your shares, you should do the following:

If you hold your shares in your own name, complete and sign the letter of transmittal mailed to you with this prospectus and return it with your share certificates to EquiServe Trust Company, N.A., the exchange agent for the offer, at the appropriate address specified on the back cover of this prospectus before the expiration date of the offer.

If you hold your shares in street name through a broker or other nominee, instruct such broker or nominee to tender your shares before the expiration date of the offer.

For more information about the procedures for tendering your shares in the offer, please refer to The Offer.

Q: Will I have to pay any fees or commissions for tendering into the offer?

A: If you are the record owner of your shares and you tender your shares directly to the exchange agent, you will not have to pay any fees or commissions. If you hold your shares through a broker, bank or other nominee, and your broker tenders the shares on your behalf, your broker may charge you a fee for doing so. You should consult your broker or nominee to determine whether any charges will apply.

Q: Will I be taxed on the Network Associates shares I receive?

A: Assuming that the merger of McAfee.com into Network Associates occurs following the completion of the offer, you will be required to recognize gain for United States federal income tax purposes on the exchange of your McAfee.com shares for Network Associates common stock and cash, but only to the extent of the cash received. You will not be permitted to recognize any loss on the exchange. You will, however, recognize gain or loss upon the receipt of any cash instead of fractional shares of Network Associates common stock and for cash received if you perfect appraisal rights.

Q: What do I do if I want to withdraw my shares from your offer?

A: To withdraw your shares from the offer, send a written or facsimile transmission notice of withdrawal to the exchange agent at the appropriate address specified on the back cover of this prospectus prior to the expiration date of the offer. Your notice of withdrawal must comply as to form with the requirements set forth in this prospectus. See The Offer Withdrawal Rights.

Q: Have any lawsuits been filed in connection with the offer?

A: In connection with our prior offer commenced in March 2002, several putative class actions were filed in Delaware and California against us, McAfee.com and the directors of McAfee.com. These actions generally alleged, among other things, that (i) the director defendants breached their fiduciary duties by failing to take adequate steps to protect the interests of McAfee.com stockholders, and (ii) that Network Associates aided and abetted the director defendants' breaches of fiduciary duties and breached its alleged fiduciary duties by making an inadequate offer. In connection with this offer, the plaintiffs in the Delaware action amended their complaint to challenge the new exchange offer and an additional lawsuit was filed in California. We believe that these lawsuits are without merit and intend to vigorously defend them. See further description of these matters under "Special Factors and Background" "Stockholder Litigation."

Q: How will McAfee.com employee stock options be treated in connection with the offer and merger?

A: Each outstanding option to purchase a share of McAfee.com common stock will be assumed by Network Associates and will be converted into an option to purchase 0.675 shares of Network Associates' common stock, with the same terms and conditions as the existing McAfee.com options (except that the exercise price of each option will be adjusted by dividing the former exercise price by 0.675), and cash equal to \$8.00. See "The Offer" "McAfee.com Stock Options" on page 58.

Q: Where can I find more information about Network Associates and McAfee.com?

A: You can find more information about Network Associates and McAfee.com from various sources described under "Where You Can Find More Information."

Q: Who do I call if I have any questions on how to tender my shares of McAfee.com common stock or any other questions relating to the exchange offer?

A: Questions and requests for assistance may be directed to D.F. King & Co., Inc., the information agent for the offer, at the address and telephone numbers set forth on the back cover of this prospectus. Requests for additional copies of this prospectus and the letter of transmittal may be directed to D.F. King & Co., Inc. or to brokers, dealers, commercial banks, trust companies or other nominees.

Q: Has the expiration date of the offer been changed?

A: In connection with the revision of our offer consideration, the expiration date of the offer has been changed to 12:00 midnight, Eastern Time, on September 12, 2002.

Q: What is the nature of the intercompany conflicts with McAfee.com?

A: McAfee.com is principally an ASP providing anti-virus protection to consumers over the Internet. Since March 2001, McAfee.com has also offered products and services to small to medium-sized businesses. We also offer anti-virus and other products that compete with McAfee.com's products in these markets. Each company has alleged violations by the other company of the intercompany arrangements. For a description of our intercompany arrangements, including the technology cross license agreement and our reseller agreements, see "Relationship Between McAfee.com and Network Associates" "Intercompany Arrangements" on page 72 of this prospectus.

Q: How have the parties sought to resolve these alleged disputes?

A: We previously agreed with McAfee.com to a business mediation of the boundaries of our relationship. McAfee.com later sought to change the scope of the mediation. In addition we agreed to audit all alleged infractions under our intercompany arrangements by both companies. Notwithstanding this understanding, McAfee.com subsequently produced an audit work plan focusing exclusively on alleged infractions of the intercompany arrangements by Network Associates. The general counsels of Network Associates and McAfee.com recently agreed to a mediator and recently met to discuss the timing and scope of the mediation.

- Q: What is the economic magnitude of these alleged violations by Network Associates of the technology cross license agreement and its reseller agreement?
- A: We believe that the amounts involved as a result of any alleged violations by us, if any, are immaterial to both McAfee.com and Network Associates. Our belief is based on our good faith investigation of the nature of the alleged violations, the degree of specificity of any alleged violations, the relevant facts and circumstances and our understanding and interpretation of these intercompany agreements with McAfee.com.
- Q: Will resolution of these matters affect timing of the offer and merger?
- A: We do not believe that resolution of the alleged violations by McAfee.com or Network Associates should change the timing for, or completion of, the offer and merger.

WHERE YOU CAN FIND MORE INFORMATION

Network Associates and McAfee.com file reports, proxy statements and other information with the SEC, in accordance with the Securities Exchange Act of 1934. You may read and copy reports, proxy statements and other information filed by Network Associates and McAfee.com at the public reference facilities of the SEC at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such materials can be obtained at prescribed rates from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference rooms. These reports, proxy statements and other information filed with the SEC are available to the public over the Internet at the SEC's World Wide Web site at <http://www.sec.gov>.

You can also inspect reports, proxy statements and other information about Network Associates at the offices of the New