



# Citrix to Acquire XenSource

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# Safe Harbor Provisions

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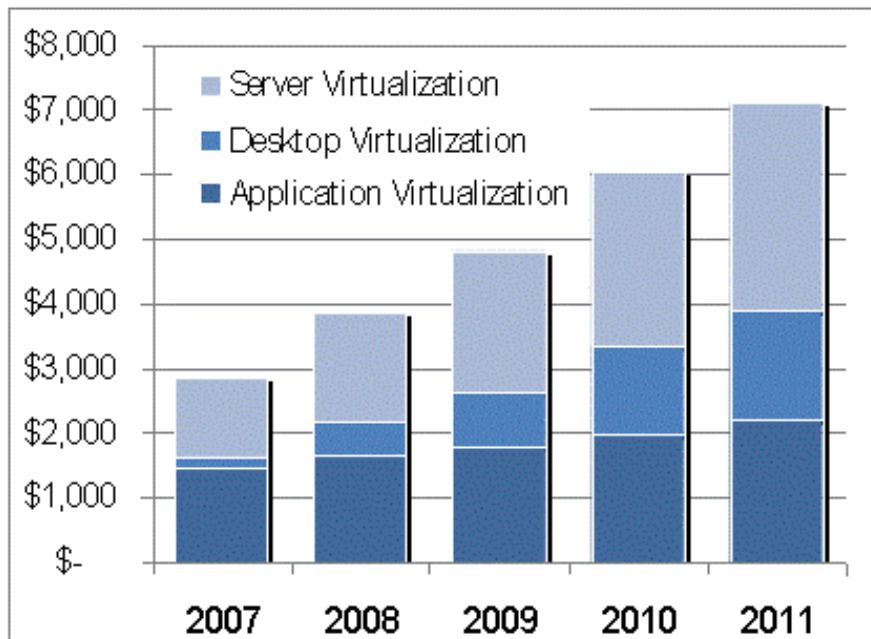


# Citrix & XenSource Combination

**Mark Templeton**  
President & CEO

# CTXS + XS = Ideal Partners

## Virtualization Market Opportunity



Source: IDC Virtualization Market Forecast 2007 - 2011

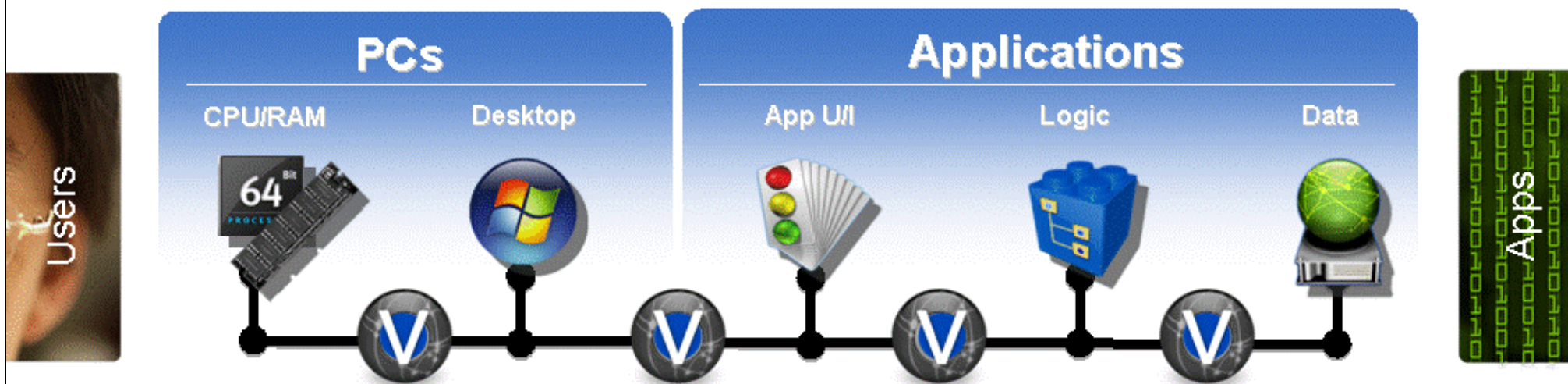
- Citrix Systems

- Market leader: delivering apps to 70M people
- Powerful global channel
- 200,000 Citrix customers worldwide
- Microsoft strategic partnership
- Partners with Intel, HP, IBM, Dell, etc.

- XenSource

- Founders of Xen open source hypervisor
- XenEnterprise v4 - enterprise-class solution
- Strong Microsoft relationship
- Great leadership & technical team

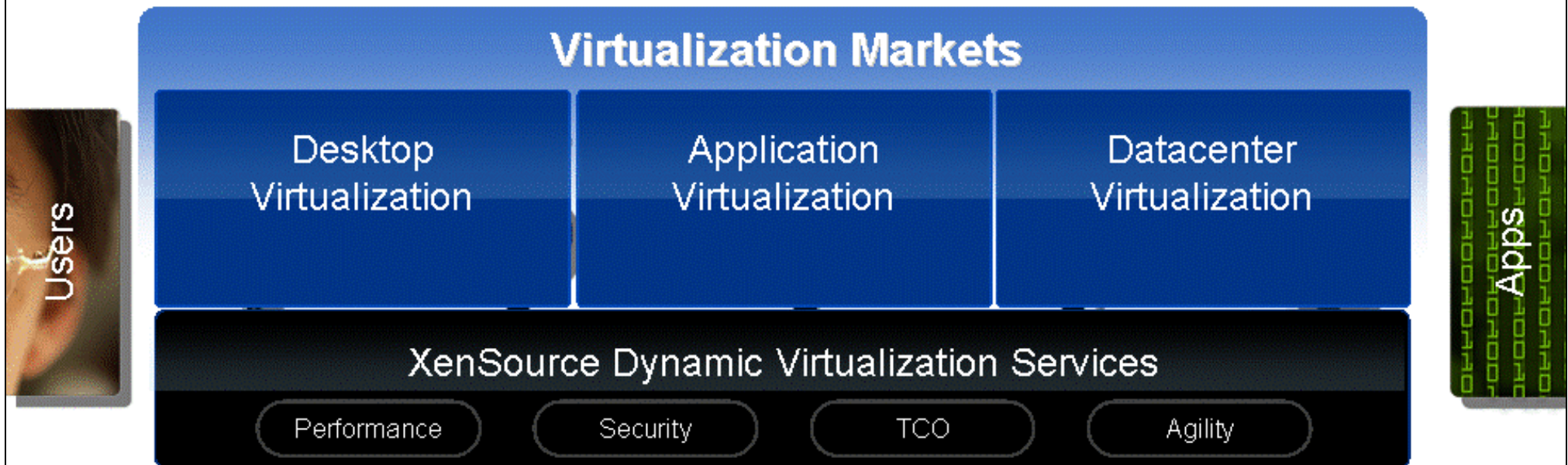
# Virtualization is core to Application Delivery



Virtualization enables dynamic coupling of components



# Citrix & XenSource: Broadest virtualization technology & products portfolio



## XenSource – the right choice

- Shared vision
  - Customer choice, community leverage, & support for existing infrastructure investments
- Strategic alignment with Microsoft & OEM partners
- Technology innovators
  - From Cambridge University's Computer Lab to leveraging the power of the Xen open source hypervisor community
- Organizational strength - people, products & technology
  - Enterprise systems software veterans with Microsoft and storage expertise



# XenSource Products & Technology

**Peter Levine**  
President & CEO, XenSource



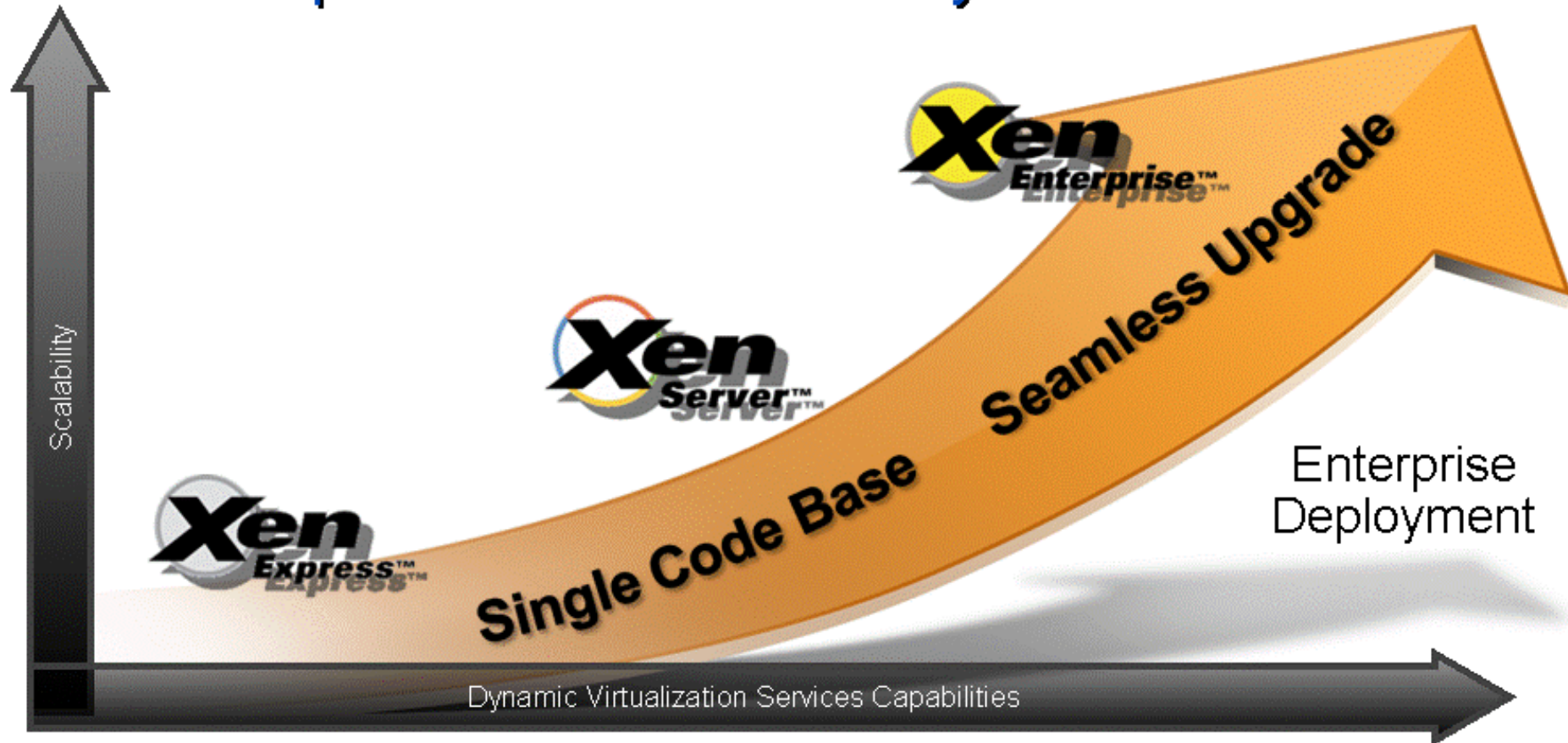
# XenSource: Overview

Headquarters: Palo Alto, CA



- Company founded by Xen creators in 2005
  - Offices in Palo Alto, Redmond, Cambridge UK
  - Inventors of Xen and leaders of Xen project
- Rapid Commercial Success
  - 600+ new customers buying XenSource commercial products based on Xen
  - Growing ecosystem of ISVs, OEMs and VARS
- Home of the Xen Hypervisor
  - Open source, next generation architecture
  - High performance bare metal and highly secure hypervisor
- XenSource targets mixed OS environments with Windows emphasis
  - Commercially packaged and supported Xen virtualization platform for Windows and Linux; with proprietary value add for Windows, storage integration, etc
  - We win based on performance, ease of use, and openness

# XenEnterprise v4 Product Family



# XenEnterprise v4 – “Catching up...”



- XenMotion
  - Seamlessly move or re-locate virtual machines without downtime
- ResourcePools
  - Efficient configuration, allocation, and authentication of your virtualization resources
- 64-bit architecture
  - Scalability & support for enterprise application workloads
- XenCenter
  - Easily manage your virtualization environment from a single, unified interface, including servers, storage and networking
- XenAPI
  - Integrate with existing investments and infrastructure

Source: **Computer Reseller News** Product Review – 8/12/07



## Expansion & Ongoing Support for Xen Community

- Aggressive Product Roadmap
  - Will add High Availability and Symantec storage management to products later this year
- Continued product expansion plans
  - Server & datacenter virtualization
  - Platform for other product groups in Citrix
- Support for open source Xen community
  - Expect procedures for independent oversight in near future
- 100% Channel focused
  - Developed channel of over 350+ resellers today, using Citrix as the model



# Wrap-up

**Mark Templeton**  
President & CEO

- Two exciting, new adjacent markets ...server virtualization and desktop virtualization
- Powerful new set of products
- Extend our most strategic industry partnerships
- A great fit with our app delivery strategy and create far more strategic relevance for virtualization
- Growth – revenue, customer value & partner leverage





# Acquisition Terms

**David Henshall**  
Sr. Vice President & CFO

## Terms of the Deal

- Definitive agreement to acquire XenSource
  - \$500 million ~ mix of cash & stock
  - Includes assumption of approx. \$107 million of unvested options
  - Deal has been approved by board of directors of each company
  - Subject to customary closing conditions
- Transaction expected to close during the 4th quarter of 2007

## Financial Consideration

- Upon closing, the transaction will result in the following:
  - Impact to Q4 2007:
    - Revenue: \$1 million (partial quarter)
    - Total costs of revenue and operating expense\*: \$3 million
  - Impact to FY 2008:
    - Revenue: \$50 million
    - Total costs of revenue and operating expense\*: \$60 to \$70 million
- \* Note: These numbers do not include any adjustments for purchase price accounting, amortization, or any non-cash stock-based compensation charges





Q+A