



Red Hat Welcome

19.10.2009



Agenda 19.10.2009

15:30 – 16:00 Welcome

16:00 – 16:15 Begrüssung

16:15 – 16:45 Enterprise Linux & JBoss

16:45 – 17:00 Pause

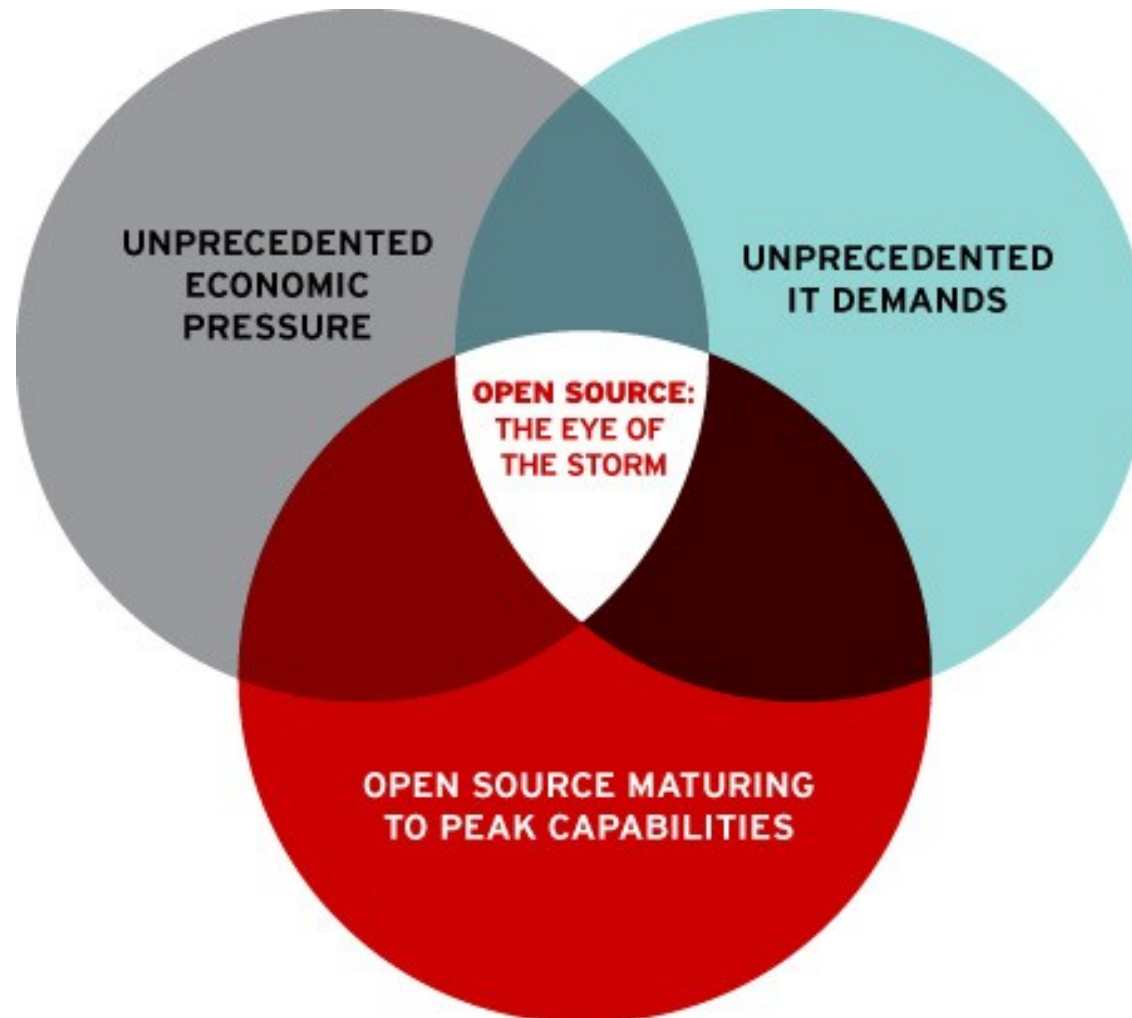
17:00 – 17:30 Red Hat Quo Vadis - Virtualisierung & more

17:30 – 17:50 Red Hat & Partner

18:00 – 18:00 Q & A, Aperitif

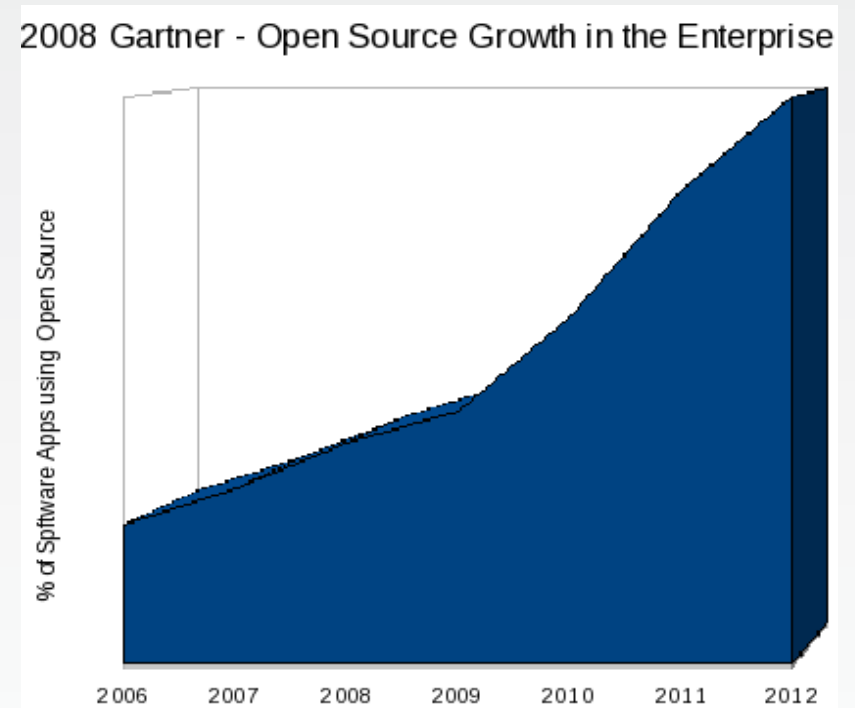
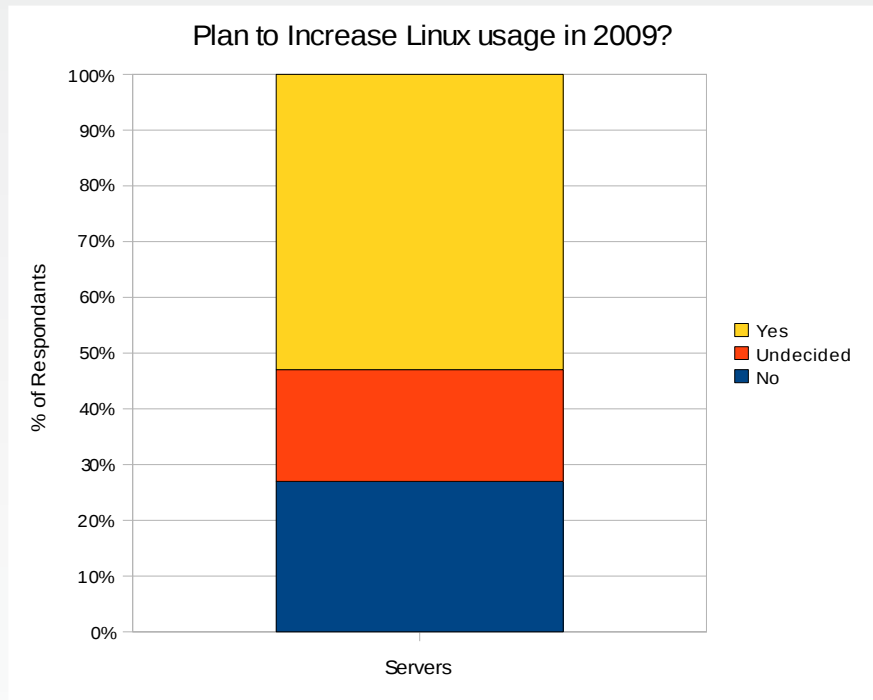
18:30 Dinner im Hollmann Theater Salon

“The perfect storm”



Marktentwicklung

- IDC₁ and Gartner₂ reports:



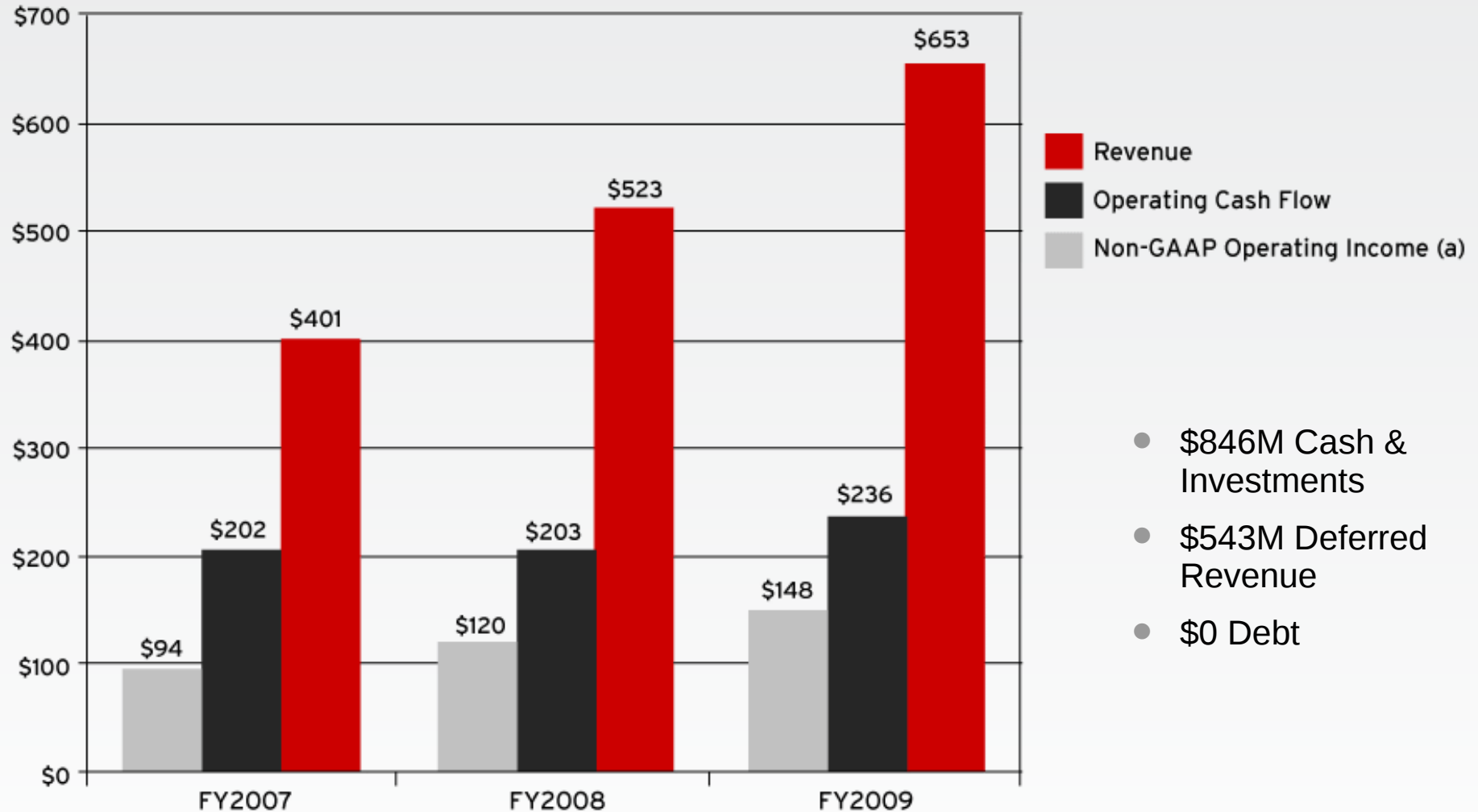
1: <http://www.desktoplinux.com/news/NS7546645167.html>

2: <http://www.zdnetasia.com/news/software/0,39044164,62039870,00.htm>



STEADY, CONSISTENT GROWTH

In millions



Red Hat 3 Year Financial Metrics

- \$846M Cash & Investments
- \$543M Deferred Revenue
- \$0 Debt

One of 2009 Forbes' 25 fastest-growing US tech companies

(a) Non-GAAP excludes stock based compensation expense and amortization expense. Please refer to investors.redhat.com for a GAAP to Non-GAAP reconciliation under the Featured Documents section.



The Red Hat business model

- How is Red Hat's licensing model different than other software companies?
 - **No licensing fee** for the right to use Red Hat software.
 - For **one annual fee**, customers can take advantage of all the value Red Hat offers.
 - There is **no lock-in**.
 - The annual subscription model forces Red Hat to **earn its business year after year**.
 - If services don't live up to expectations, then **customers are free to choose** another vendor.



Zahlen und Fakten zu Red Hat

- Hauptsitz in Raleigh, North Carolina, USA
- Gegründet 1993
- Über 3000 Mitarbeiter, 67 Niederlassungen weltweit; Vertreten in 26 Ländern
- 3 NL in Deutschland (München, Frankfurt, Berlin)
- Gesamtvermögen: \$1.3 Milliarden
- Markt Kapitalisierung: > \$ 4 Milliarden
- FY09 Umsatz: \$653 Millionen
- Schuldenfrei
- IPO, 1999 (NYSE: RHT)

- **Red Hat is the trusted and market share leader in Open Source**
- **Open Source and applications running on Red Hat have matured**
- **2200+ Certified ISV and 3400+ Certified applications**
- **75% of Red Hat customers plan to EXPAND their Red Hat footprint**
 - 23% plan to maintain current levels (Piper Jaffray 2009 survey)
- 97% of polled customers said they would **continue to conduct business with Red Hat** (CIO Insight Survey)
- **Ride Red Hat's growth**
 - +40% annual growth rate over the past 5 years
 - No. 11 on Forbes' 2009 survey of the 25 fastest-growing US tech companies

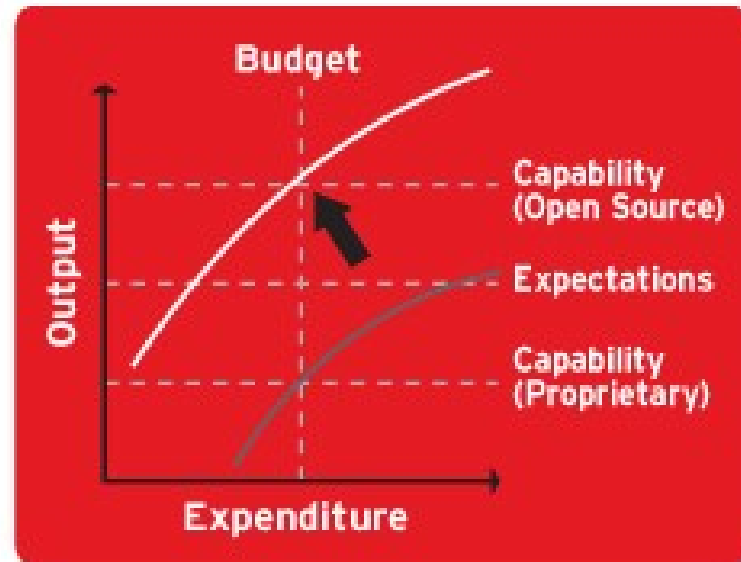


Value Prop: Solving the CIO's Dilemma

CIO Priorities

1. Reduce costs
2. Drive business innovation
3. Enable competitive
4. Improve customer satisfaction
5. Grow revenue

Open Source Economies & Innovation Shift the Capability Curve



CIO Barriers

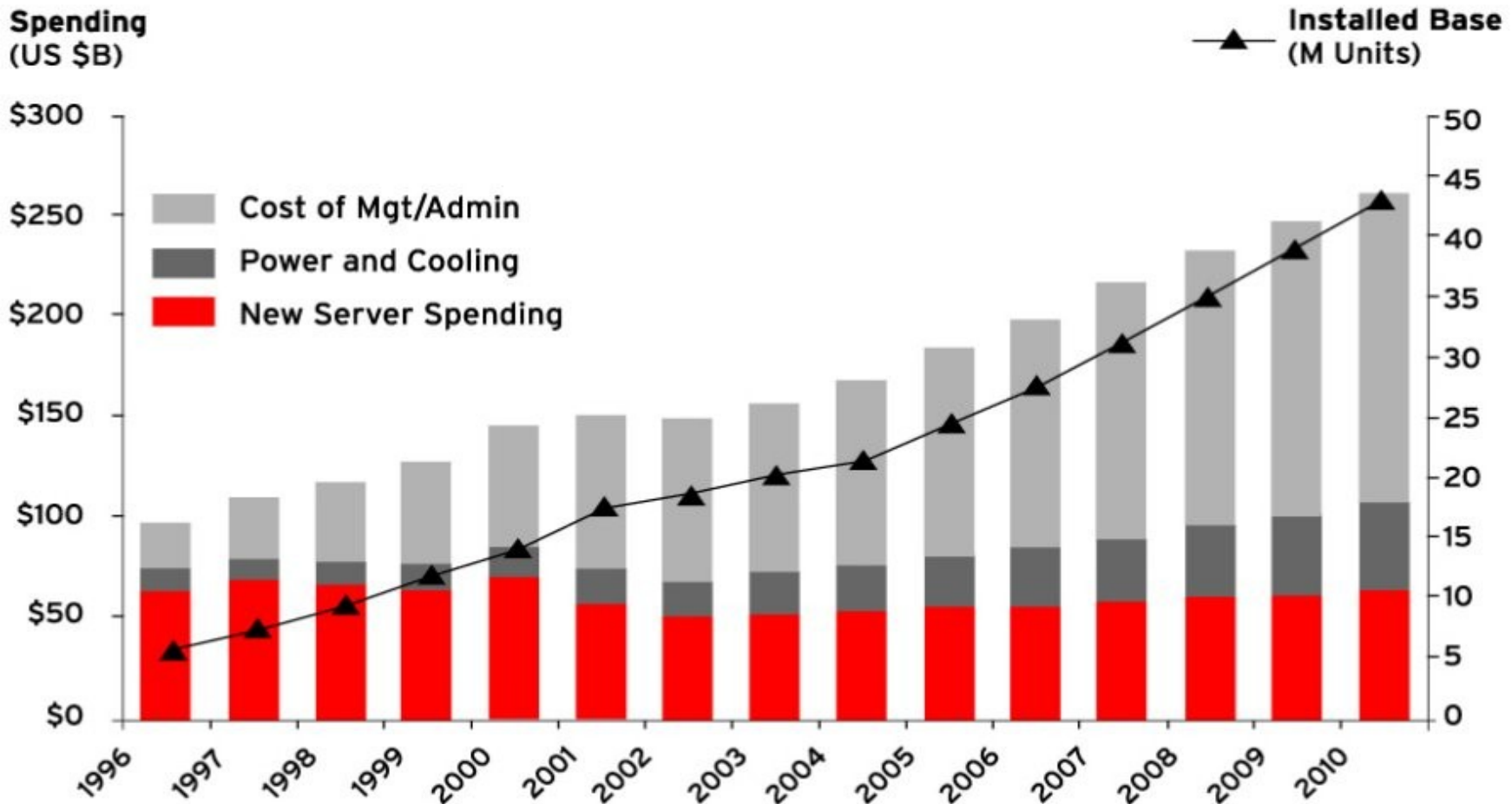
1. Backlog of projects
2. Inadequate budget
3. Shortage of planning time
4. Unrealistic expectations
5. Unknown expectations

Bottom Line: Open source dramatically improves IT capabilities while providing increased value and extending limited IT budgets.



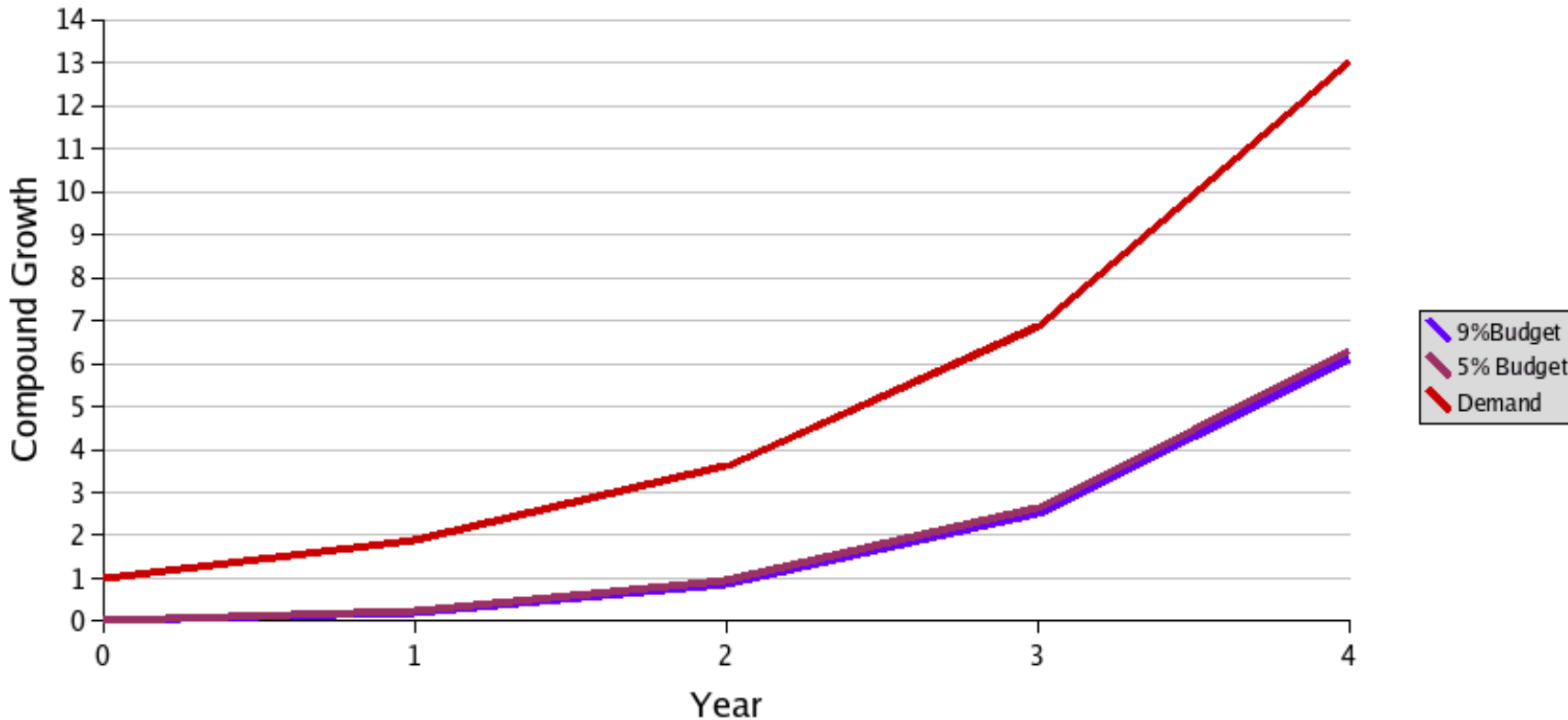
Value Prop: CAPEX and OPEX

OPEX NOW OUTWEIGHS CAPEX
WORLDWIDE SERVER MARKET: COST OF MANAGEMENT
Source: IDC 2006



Value Prop: Gap between requirements and budget

- Assumptions:
 - **Demand growing at 90%**
 - Moore's law increasing capacity by 60%
 - NET: Budgets cannot fill the gap
- Result:
 - Need a new approach
 - **Open source cost model bridges the gap**





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