



# 2Q08 Financial Results

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Additionally during this presentation, we may discuss various non-GAAP financial measures as defined by the SEC's Regulation G. More information on the non-GAAP financial measures used in this presentation can be found in the earnings press release issued today and on the Investor Relations page of our corporate website at [www.citrix.com/investors](http://www.citrix.com/investors).



# Financial Results & Business Outlook

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

# 2Q08 Financial Highlights

- Total revenue was \$391.7 million in 2Q08
  - An increase of 17% over 2Q07
- Adjusted EPS were \$0.38 for 2Q08
- Adjusted operating margin was 21%

# 2Q08 Revenue Highlights (In millions)

	2Q08	2Q07	Y-O-Y	1Q08	SEQ
Product License	\$153.4	\$136.6	12.3%	\$147.0	4.4%
Product License Updates	\$137.3	\$118.2	16.2%	\$133.8	2.6%
Technical Services	\$37.3	\$27.8	34.2%	\$34.2	9.2%
Online Services	\$63.7	\$51.8	22.9%	\$62.0	2.7%
<b>Total</b>	<b>\$391.7</b>	<b>\$334.4</b>	<b>17.2%</b>	<b>\$377.0</b>	<b>3.9%</b>

# 2Q08 Geo Highlights (In millions)

	2Q08	2Q07	Y-O-Y	1Q08	SEQ
Americas	\$168.0	\$148.4	13.2%	\$156.8	7.1%
EMEA	\$127.5	\$104.9	21.5%	\$126.9	0.5%
Pacific	\$32.5	\$29.3	11.0%	\$31.3	3.9%
Online Services	\$63.7	\$51.8	22.9%	\$62.0	2.7%
<b>Total</b>	<b>\$391.7</b>	<b>\$334.4</b>	<b>17.2%</b>	<b>\$377.0</b>	<b>3.9%</b>

# Application Virtualization

- \$264.9 million in 2Q08 revenue
  - An increase of 7% over 2Q07
- Continued Platinum strength
  - XenApp-Platinum over 30% of group license revenues in 2Q08
  - New XenApp-Platinum license sales continue to drive an increase in ASPs & deal size
  - 4 XenApp-Platinum deals > \$ 1 million
- Renewal rates in mid-80's



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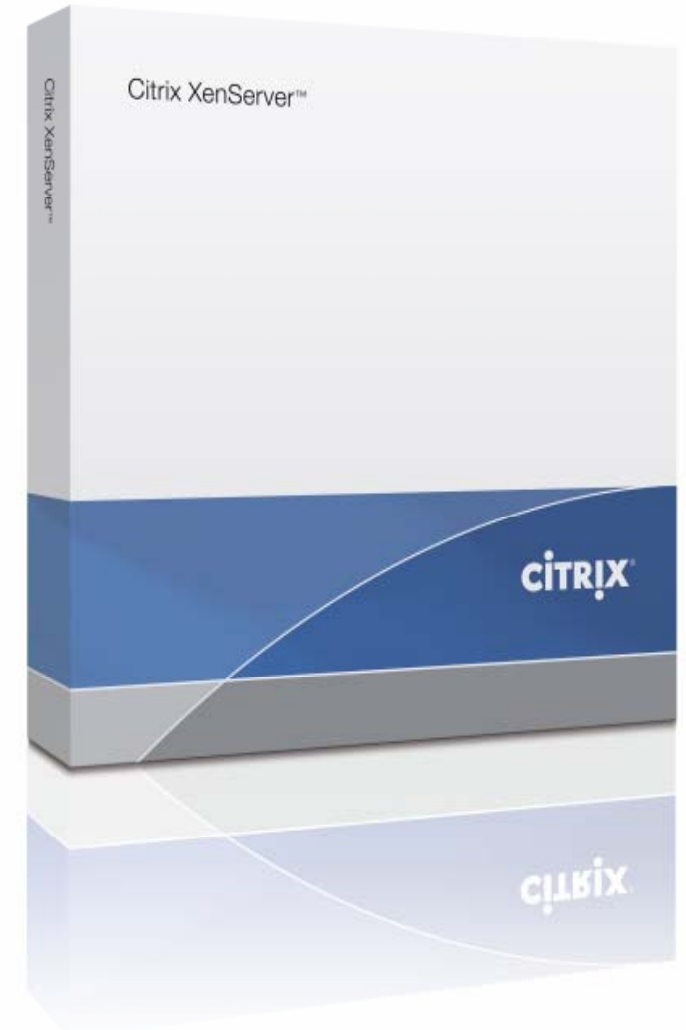
# Application Networking

- \$54.4 million in 2Q08 revenue
  - An increase of 83% vs. 2Q07
- Strong international growth
- New MPX platform over 13% of NetScaler product license revenue
- The rest of Application Networking grew over 200% from 2Q07



# Server & Desktop Virtualization

- Delivered between \$3 and \$4 million in 2Q08
- Over 3,100 authorized channel partners
- OEM partners are shipping, recognition of revenue in 2H'08



# Operating Expenses & Adjusted Tax Rate

- Adjusted Operating expenses were \$278 million in 2Q08
  - An increase of less than 2% over 1Q08
- Operating expenses drivers
  - Headcount additions, largest increase from the R & D and quota carrying personnel
- Adjusted tax rate for 2Q08 was 19% compared to 20% in 1Q08

# Balance Sheet / Cash Flow items

- Cash flow from operations was \$75 million
- Cash and investments approximately \$833 million
- Repurchase program
  - Repurchased over 2 million shares in 2Q08 at an average price of approximately \$34
  - Buy-back authority approximately \$180 million as we enter 3Q08

# Summary

- Solid 2Q08 results
- Continue to focus on growth and profitability

# Expected Q3 Performance

## Expected 3Q08 Performance

- Total revenue: \$385 million to \$400 million
- Interest income: \$6 to \$7 million
- Adjusted tax rate: 19 - 20%
- Shares outstanding: 189 to 190 million
- Adjusted EPS: \$0.36 to \$0.39

## Expected FY08 Performance

- Total Revenue: \$1.59B - \$1.62B
- Adjusted EPS: \$1.54 to \$1.60

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# Business Trajectory

**Mark Templeton**  
President & CEO

# Q2 Update & Overview

- Total revenue up 17% in Q2'08; up 20% in 1H08
- Currently balancing spending & market-building initiatives to reflect existing economic climate
- Customers working with tighter budgets & doing more with less
- Customers responding well to our message of better desktop TCO, application performance and security for IT

# Q2 Update & Overview [Cont'd]

- Successful customer events across the globe
- New products and product releases
  - XenDesktop – widely anticipated desktop virtualization offering
  - XenServer Platinum – for both physical and virtual servers
  - NetScaler MPX – our next-generation application networking platform
  - Next-generation online virtualization platform
    - GoToMeeting v4 & GoToWebinar v2
- Strengthening partnership with Microsoft
  - Global Infrastructure ISV Partner of the year
  - Citizenship award
- Sales & Services Leadership
  - Al Monserrat named new SVP Worldwide Sales & Services

# Application Virtualization

- Strong uptake of XenApp Platinum
  - Pipeline strength encouraging
  - Record number of 7-figure transactions
- New release – XenApp 5 – expected in Q3'08
  - Creates superior user experience
  - Application streaming for offline use
  - Support for new Windows Server 2008 platform & existing Windows Server 2003
- Leveraging global launch of Microsoft Windows Server 2008

# Application Networking

- Growth of 83% y-o-y
- New NetScaler MPX line began shipping mid-quarter
- Solid growth in WANScaler business
- Debuted the Citrix Branch Repeater
  - Jointly developed “Branch-in-a-Box” appliance with Microsoft

# Online Services

- Q2'08 growth of 23%
- Revenue from Online collaboration products grew over 50%
- Introduced GoToMeeting v4 & GoToWebinar v2
  - Total audio solution featuring unlimited VoIP and audio conferencing
  - New capabilities for Mac users
  - Enhanced webinar planning & management tools
- New GoToAssist Express offering to be available this quarter
  - Remote support solution for professionals & small business

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# Server Virtualization

- Slower than expected revenue ramp
- Ongoing channel focus and demand generation for OEMs
- Released XenServer 4.1 & Platinum in 1H08
- Introducing XenServer 4.2 & XenServer 4.2 Platinum
  - High Availability – automatically place & start machines if they fail
  - Disaster Recovery – supporting Mirrored Storage configurations
  - XenConvert tool – enabling P2V migrations
  - XenApp optimizations – for enhanced XenApp performance
  - Full Microsoft VHD support
  - Scalability optimizations

# Desktop Virtualization

- XenDesktop introduced in May -- redefining desktop virtualization
- TCO savings up to 40% over traditional desktop PCs
- Customer interest has sparked significant channel interest
- Partnering with Microsoft to expand customer & channel reach
- Partnering with CSC on Dynamic Desktop business practice

# Q2'08 Takeaways

- Confident in our current market position
- Application Delivery Infrastructure message resonating with customers
- Ongoing caution in current economic environment
- Tighter IT spending environment creates opportunity amplify value proposition of existing product portfolio



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Q & A