VMware Acquires Desktone, Pioneer of Desktop-as-a-Service

Desktone's Innovative DaaS Platform and VMware Horizon View(TM) Offers Service Providers the Industry Leading Platform for Cloud Delivery of Windows Desktops and Applications to Any User, Anywhere, on Any Device

BARCELONA, SPAIN -- (Marketwired) -- 10/15/13 -- Today at VMworld® 2013 Europe, VMware, Inc. (NYSE: VMW), the global leader in virtualization and cloud infrastructure, announced that it has acquired Desktone, Inc, an industry leader in desktop-as-a-service (DaaS) with an advanced multi-tenant desktop virtualization platform for delivering Windows desktops and applications as a cloud service.

"Desktone is a leader in desktop-as-a-service and has a complete and proven blueprint for enabling service providers to deliver DaaS," said Sanjay Poonen, executive vice president and general manager, End-User Computing, VMware. "By bringing Desktone's innovative platform in house, VMware can accelerate the delivery of DaaS through its network of over 11,000 VMware service provider partners while helping to shape and lead the future of the industry."

"The combination of VMware and Desktone's global partner network will allow customers in all regions to benefit from the economies of scale provided by DaaS," said Peter McKay, president and chief executive officer, Desktone. "With the Desktone platform already certified with the VMware vCloud® technology, VMware vSphere® and VMware Horizon View™, customers will be able to quickly modernize and move their desktop infrastructure to the cloud and open new possibilities for customers, users and service providers."

VMware's acquisition of Desktone closed earlier this month, in the fourth quarter of 2013. Financial details of the transaction were not disclosed. The transaction is expected to be immaterial to VMware's financial results.

Accelerating the Move of Desktops to The Cloud

The explosion of mobile devices, mobile and web applications, and increased interest in the cloud is driving businesses to re-evaluate their desktop strategy. Desktop virtualization with VMware Horizon View simplifies desktop management, security, and control while delivering an optimum end-user computing experience across all devices and networks. The addition of the Desktone platform further extends the benefits of desktop virtualization by offering an additional choice to organizations looking for predictable economics, flexibility of cloud deployment or simple deployment and management due to the lack of resources or in-house VDI expertise. The Desktone platform was purpose-built for service providers to deliver windows applications and desktops as a cloud service with unique capabilities such as:

- **Multi-tenancy** - A must for cloud delivery. Each customer gets a separate virtual environment to ensure security while cloud providers are able to manage multiple customers under one platform.

- **Self Service of virtual desktops** - Simple provisioning from the cloud enables self-service for IT of full VDI, shared session remote desktop service (RDS) desktops and applications without the need to procure hardware or software.

- **Grid-based architecture for elastic scalability** - Advanced architecture enables unlimited scalability across multiple geographies and data centers.

- **Low cost of delivery** - Open source based technology eliminates Microsoft licensing fees and third-party software management, resulting in cost savings over competitive desktop virtualization offerings.

Additional Resources

- Read the blog post by Sanjay Poonen, executive vice president and general manager, End-User Computing, VMware
- Read the blog post by Peter McKay, president and chief executive officer, Desktone
- Follow the VMware End-User Computing team on Twitter and Facebook

About Desktone

Desktone provides the industry's only multi-tenant desktop virtualization platform for delivering desktops and applications as a cloud service, enabling the deployment of Windows desktops and applications from a private, public or hybrid cloud to any end user device. Desktone enables IT service providers to rapidly provision desktops and applications to users connected on any device, anywhere, without the upfront costs and complexity of traditional desktop virtualization -- transforming desktops from a CAPEX to OPEX item. Leading service providers, such as Dell, Fujitsu, NEC, Time Warner Cable and Dimension Data, have
selected Desktone's Platform to offer desktops and apps as a cloud service. Founded in 2007, Desktone is funded by Highland Capital and Softbank and is headquartered in Boston, MA. For more information, visit www.Desktone.com.

About VMware
VMware (NYSE: VMW) is the leader in virtualization and cloud infrastructure solutions that enable businesses to thrive in the Cloud Era. Customers rely on VMware to help them transform the way they build, deliver and consume Information Technology resources in a manner that is evolutionary and based on their specific needs. With 2012 revenues of $4.61 billion, VMware has more than 500,000 customers and 55,000 partners. The company is headquartered in Silicon Valley with offices throughout the world and can be found online at www.vmware.com.

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Forward-Looking Statements

This press release contains forward-looking statements including, among other things, statements regarding prospects for the acceleration of the delivery of desktop-as-a-service by VMware, the combination of VMware and Desktone's partner networks and prospective benefits to customers, prospects for future demand for DaaS and the expected effect of the acquisition on VMware's financial results. These forward-looking statements are subject to the safe harbor provisions created by the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from those projected in the forward-looking statements as a result of certain risk factors, including but not limited to (i) changes to priorities and levels of government spending; (ii) adverse changes in general economic or market conditions; (iii) delays or reductions in information technology spending; (iv) competitive factors, including but not limited to pricing pressures, industry consolidation, entry of new competitors into the virtualization, end user and cloud computing markets, and new product and marketing initiatives by our competitors; (v) our customers’ ability to develop, and to transition to, new products and computing strategies such as cloud computing and desktop virtualization; (vi) the uncertainty of customer acceptance of emerging technology; (vii) rapid technological and market changes in virtualization software and platforms for cloud and desktop computing; (viii) changes to product development timelines; (ix) VMware's ability to protect its proprietary technology; (x) the time and resources required to integrate VMware and Desktone's technologies and partner networks; and (xi) VMware's ability to attract and retain highly qualified employees. These forward looking statements are based on current expectations and are subject to uncertainties and changes in condition, significance, value and effect as well as other risks detailed in documents filed with the Securities and Exchange Commission, including our most recent reports on Form 10-K and Form 10-Q and current reports on Form 8-K that we may file from time to time, which could cause actual results to vary from expectations. VMware assumes no obligation to, and does not currently intend to, update any such forward-looking statements after the date of this release.

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