VMware Labs Asia Established to Expand and Diversify Technology Innovation Through Joint Solution Development

New Framework of Strategic Collaboration Initiated in China to Focus on Ecosystem of Academia, Developer, Open Technology and Partner Communities; Linux Virtual Desktop Solution First Project Planned Under VMware Labs Asia; US$1Billion Investment Planned to Further Development and Innovation in China

BEIJING, CHINA and PALO ALTO, CA -- (Marketwired) -- 10/28/14 -- VMware Inc. (NYSE: VMW), the global leader in virtualization and cloud infrastructure, today announced VMware Labs Asia has been established. Under this new framework, VMware aims to expand and diversify technology innovation through joint solution development. Initiated in China, VMware aims to deepen its reach into the technology ecosystem with the purpose of collaborating with academia, developer, open technology and partner communities in the country. The first project under VMware Labs Asia is a Linux-based VDI solution that will address the unique market opportunity for open technologies in China.

In addition, as part of its strategic effort in the country, VMware plans a US$1billion investment over the next five years to be dedicated to market development and innovation specifically in China.

"China is an innovation epicenter that presents VMware with a unique opportunity to participate in an expanded and more diverse joint solution development cycle under the VMware Labs Asia framework," said Sanjay Mirchandani, senior vice president and general manager, Asia Pacific and Japan, VMware. "VMware Labs Asia will bring new innovation models together with ecosystem partners with the aim of delivering breakthrough innovation initially in China and beyond," Mirchandani added.

The VMware Labs Asia program will operate under VMware's Asia Pacific and Japan organization and be led by Dr. Ying Li, managing director, VMware Labs Asia. Ying Li recently led EMC China's Center of Excellence and will report to Sanjay Mirchandani. He will work within the framework of VMware Labs Asia with engineering resources to support customers and partners in close collaboration with the global office of the VMware CTO as well as VMware China's sales and R&D leadership. VMware's R&D Center in China will continue to be led by Alan Ren, managing director, China R&D, VMware.

"By developing technology solutions in close coordination with the broader ecosystem, VMware will address market-specific requirements together with partners and other communities to rapidly develop and ship new innovation for the China market and beyond," said Ying Li. "VMware Labs Asia will give VMware an advantage as we assemble and combine the expertise of multiple stakeholders to embrace the new era of technology development," Li added.

According to IDC, China will continue to be one of the world's fastest-growing cloud markets, evidenced by a 2014-2017 growth rate of 25%. China's total public cloud market is expected to grow from US$1.659b in 2014 to US$3.053b in 2017, representing a CAGR of 23%, according to IDC.

Linux VDI
The first project initiated under VMware Labs Asia is the development of Linux virtual desktops in China and based on the latest Linux requirements set forth by the China Linux Consortium. This effort will expand the virtual desktop options available to customers as Linux desktop use has increased in China among enterprise users, thus making more secure management a top priority among IT administrators focused on corporate compliance.

The introduction of Linux VDI is a natural expansion of VMware's end user computing strategy to provide a more secure virtual workspace for more productive workers. In addition to delivering centralized management capabilities of Linux desktops, VMware's Linux VDI solution will allow users to securely access their Linux desktops from mobile devices when outside the office.

Ecosystem Collaboration and Support
VMware Labs Asia has begun discussions with academia, developer, open technology and partner communities in China.

"The IT industry has become a key pillar of growth for China's economic success. Industry growth, talent development and training are critical to the industry's further development and it's a promising sign that VMware is expanding its partner approach to jointly develop new models and opportunities together with China's academic and research community at the
university.
- Yang Fuqing, academician, Chinese Academy of Sciences and professor, Peking University

**Additional Resources**

- Read a blog post by Victor Thu, director of product marketing, End-User Computing, VMware about the VMware Linux Virtual Desktop Solution

**About VMware**
VMware 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 2013 revenues of $5.21 billion, VMware has more than 500,000 customers and 75,000 partners. The company is headquartered in Silicon Valley with offices throughout the world and can be found online at www.vmware.com.

**Forward-Looking Statements**
This press release contains forward-looking statements including, among other things, statements regarding VMware's expected investments in VMware Labs, VMware Labs planned programs and developments and their potential features and benefits to customers and expectations for the growth of cloud markets in China. 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 business information technology strategies; (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 enterprise, cloud and end user 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 software-defined data centers and hybrid cloud computing; (vi) the uncertainty of customer acceptance of emerging technology; (vii) rapid technological and market changes in virtualization software and platforms for cloud and enterprise computing; (viii) changes to product development timelines; (ix) VMware's ability to protect its proprietary technology; (x) changes and new developments to regulatory requirements; 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.

† Source: IDC, Worldwide and Regional Public IT Cloud Services 2013-2017 Forecast, August 2013

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Source: VMware, Inc.

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