2006 OSDL Member Meeting
May 24, 2006

- Opening Remarks: Ross Mauri, Chairman of Board
- Financial Update: Mike Temple, CFO
- OSDL Highlights: Stuart Cohen, CEO
  - Accomplishments
  - Working Group / Initiative Update
  - 2006 Objectives and Strategy
Opening Remarks

- State of Linux today
- Expanding workloads
- Role of OSDL
Adoption Trends

Linux Revenues to Top $40 Billion in Two Years

Revenue in Millions US$

- $0
- $5,000
- $10,000
- $15,000
- $20,000
- $25,000
- $30,000
- $35,000
- $40,000

Years:
- 2003
- 2004
- 2005
- 2006
- 2007
- 2008

Source: IDC

5 YR CAGR 26%

Servers | PCs | Packaged Software

©Copyright 2006 OSDL, All rights reserved.
What drives Linux adoption?

Top 5 reasons:

- Cost
- Reliability
- Performance
- Security
- Recommendation of technical staff
Market Dynamics

Linux drivers to 2005...

- HPC – educational and scientific markets, edge-tier networks
- Blades
- Software licensing costs; concerns about licensing limitations
- Server migration and consolidation

Newer Linux drivers...

- Increasing number of ISV applications and middleware support
- Datacenter-in-a-Box
- Virtualization
- Suitability for mission-critical applications
- Technology advancements
- Hardware and OS commoditization

Source: IDC Analyst Briefing at LinuxWorld, April 5, 2006
Evolution of Linux workloads

What’s “hot” now?
- Business applications - ERP, CRM, SCM, HR
- Consolidation of database workloads
- Virtualization
- Compute clusters
- Linux-based workloads in legacy Windows

Edge Infrastructure
- Price/Performance
- Lower TCO
- Simplified Systems Management
- Improved Time to Market

Static Web Infrastructure
- Price/Performance
- Lower TCO
- Simplified Systems Management
- Improved Time to Market

Application Serving
- Price/Performance
- Lower TCO
- Simplified Systems Management
- Improved TTMt
- High Reliability
- Open platform/foundation
- Rapid Implementation
- Reusability/flexibility

Enterprise Computing
- Price Performance
- Lower TCO
- Simplified Systems Management
- Improved TTMt
- High Reliability
- Open platform/foundation
- Rapid Implementation
- Reusability/Flexibility
- Better Service Levels
- Increased utilization

2000 - 2004
- E-mail Servers
- DHCP
- Scientific HPC

2005
- Apache
- Websphere
- WebLogic
- Oracle

2006
- e-business applications (CRM, SCM, ERP)
- Apache Geronimo

©Copyright 2006 OSDL, All rights reserved.
Role of OSDL

- Mission: accelerate the adoption of Linux and open source software
- Vendor-neutral repository of expertise and resources
- Engineering, legal and marketing activities to increase technical capability and awareness of Linux and open source

The year ahead

- Broader engagement with development community
- Addressing geography-specific requirements
Financial Update – Mike Temple, CFO

- 2005 Operating Results
- 2005 Cash Position
- 2006 Budget
Message from the CEO: Looking Back

- Remained focused on mission: accelerate the adoption of Linux and open source software
- Launched Three Major New Initiatives
  - IP Support Fund
  - Patent Commons Project
  - Mobile Linux Initiative (MLI)
- Working Group
  - DCL: Growth of Linux in retail; testing/improving NFSv4
  - CGL: Increased Linux’ real-time capabilities, security and reliability
  - DTL: Portland Project
- Engineering
  - Continued kernel development
  - Support targeting device drivers and database workloads for community and infrastructure projects
Linux Adoption Trends

Linux Revenues to Top $40 Billion in Two Years

Source: IDC

Revenue in Millions US$

5 YR CAGR 26%

Source: IDC
Cost Implications of Linux and OSS

Total S/W and H/W Savings of > 25%

Legacy - 2000
- Applications
- Middleware
- Legacy UNIX
- Proprietary H/W

Emerging - 2005
- Applications
- Middleware
- Linux
- Commodity H/W

Potential for add’l IT investment

Proprietary Applications
- OSS Applications
- Proprietary M/W
- Open Source M/W
- Linux
- Commodity H/W

Hybrid - 2008
Linux Growth Rates

- Linux install base is now larger than Unix install base and is now displacing Windows on servers
  - In 2006, IDC forecasts the Linux server market will grow 2x that of Windows and 5x that of the total server market.
  - According to InformationWeek Research, nearly half of companies surveyed will migrate from legacy Windows and commercial Unix servers to Linux-based platforms over the next 12 months.
  - By 2010, 75 percent of all IT companies will have an open source strategy (Gartner).
The Linux Ecosystem is Nearly There

OSDL is helping Linux “cross the chasm”
Membership Trends and Profile

- Increase in ISVs, service providers and integrators
- Influx of new members from Asia
- MLI attracting new members from wireless/handheld ecosystem
## OSDL in the News

<table>
<thead>
<tr>
<th>Category</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Press Coverage</td>
<td>74</td>
<td>324</td>
<td>553</td>
<td>475</td>
<td>289</td>
</tr>
<tr>
<td>OSDL Press Releases</td>
<td>7</td>
<td>29</td>
<td>44</td>
<td>30</td>
<td>7</td>
</tr>
<tr>
<td>Partner Releases</td>
<td>22</td>
<td>44</td>
<td>49</td>
<td>82</td>
<td>12</td>
</tr>
<tr>
<td>Top IT Trades Mentions</td>
<td>6</td>
<td>65</td>
<td>110</td>
<td>85</td>
<td>19</td>
</tr>
<tr>
<td>U.S. Newspapers</td>
<td>5</td>
<td>54</td>
<td>98</td>
<td>80</td>
<td>6</td>
</tr>
<tr>
<td>Top Biz/Financial</td>
<td>0</td>
<td>20</td>
<td>45</td>
<td>24</td>
<td>4</td>
</tr>
<tr>
<td>Online IT Trade/Bus.</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>89</td>
</tr>
</tbody>
</table>

*Not tracked*
OSDL Around the Globe

- Forbes CIO Summit (London)
- LinuxWorld (San Francisco, Boston)
- Board of Directors Press Conference (Tokyo)
- Commonwealth Technology Forum (London)
- GPLv3 kickoff at MIT (Boston)
- The Economist Conference at CeBIT (Hannover)
- Open Source Business Conference (San Francisco, Boston)
- IP Support Fund/SFLC Press Conference (San Francisco)
- Gartner Open Source Summit (Orlando)
- Ottawa Linux Symposium
- USPTO Public Meeting (Washington, DC)
2006 Working Group Officers

- **DCL**
  - Steering – Joe Alexander – Bull
  - Technical – Gerrit Huizenga – IBM
  - Marketing – Joe Alexander – Bull – acting chair
- **CGL**
  - Steering – Glenn Seiler – Wind River – chairman
  - Peter Badovinatz – IBM – vice chair
  - Technical – Terence Chen - Intel
  - Marketing – Bob Monkman – MontaVista
- **DTL**
  - Steering – Brad Young – Novell – chairman
  - Roger Hurwitz, Intel, vice chair
  - Technical – Marc Miller - AMD
  - Marketing – Greg Kelleher – IBM
- **MLI**
  - Steering – John Ostrem – PalmSource– chair
  - John Ellis – Motorola – vice chair
  - Technical – Rob Rhoads - Intel
  - Marketing – Christopher Zapf – Wind River
Initiative Working Group Accomplishments

• Carrier Grade Linux
  – Longest running OSDL initiative
    • Six Linux distribution and platform providers registered to CGL 2.1 specification
    • CGL membership approved and published the CGL 3.1
    • CGL membership issued draft CGL 3.2
  – 90+ percent of design wins require Linux
  – Non-member companies have begun to self-register commercial-off-the-shelf and internal Linux platforms to the CGL specification
Initiative Working Group Accomplishments

- **Data Center Linux**
  - **Device Drivers**
    - OS Drivers website [http://developer.osdl.org/dev/opendrivers](http://developer.osdl.org/dev/opendrivers)
    - Latest storage device drivers being testing in cooperation with LSI, Adaptec, QLogic and Emulex
    - NDA program established to get specifications into the hands of developers.
    - Training for developers, engineering managers and program managers under development
  - **NFSv4**
    - Fifteen new machines and network hardware were procured and are running NFSv4 and Hot Plug tests
    - Release of automated test tools: Package-retriever, Linux-bootloader, Crucible and Test-parser
  - **Integration testing with 4,000 disk devices**
    - Using open source logical volume manager and multipath I/O configurations
  - **Evaluating Special Interest Group for virtualization**
Initiative Working Group Accomplishments

- Desktop Linux
  - Published Desktop Linux survey results to outline key issues to the adoption of Linux on the desktop
    - 70 people representing more than 40 projects attended meeting in Portland in December
    - 54 people representing more than 29 projects in Mainz (Germany) in May
  - Collaborated with community to launch Portland Project
Initiative Working Group Accomplishments

- Mobile Linux Initiative
  - Launched in October to accelerate adoption of Linux on mobile devices by addressing challenges specific to Linux kernel
  - Linux marketshare on smartphones has nearly doubled in the last year (Gartner)
  - Increasing announcements from device manufacturers deploying Linux
  - Evaluating future partnerships with CELF, LIPS
Initiative Working Group Accomplishments

- Global Workgroup Meetings
  - Face to Face Meetings
    - More than 400 attendees from over 40 member companies
    - China: October 2005
  - Linux User Advisory Councils
    - U.S., EMEA and Japan – ongoing meetings throughout 2005, 2006
    - Top end user priorities consolidated into board presentation January 2006
    - Next board report from LUAC chairs Aug 2006
OSDL Technical Accomplishments
A Safe Haven for Developers

- Technical Advisory Board
- Fellowship Fund
- Kernel development
- Virtual testing facilities
- Device drivers
OSDL Legal Accomplishments

Improving Customer Confidence

- OSDL Linux Legal Defense Fund
- OSDL IP Fund
- Support for Software Freedom Law Center
  - Providing pro-bono legal services to open source developers and projects
- Establishment of OSDL Patent Commons Project and Website
- USPTO collaboration on Patent Quality Initiatives
OSDL Marketing Accomplishments

Being the Information Broker

- Formally expand focus beyond Linux to Open Source
- Global voice to vendors and end users
- Helping to educate market participants
- Providing a vendor-neutral environment to discuss challenges, opportunities
Message from the CEO: Looking Ahead

- Broadening engagement with development community
- Increasing customer confidence in Linux and open source software
- Focusing on specific requirements in individual geographies
- Constantly evaluating OSDL’s unique position in the market to deliver value for our members
2006 OSDL Member Meeting
May 24, 2006