

# 2006 OSDL Member Meeting

May 24, 2006

# 2005 – 2006 OSDL Membership Report

- 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



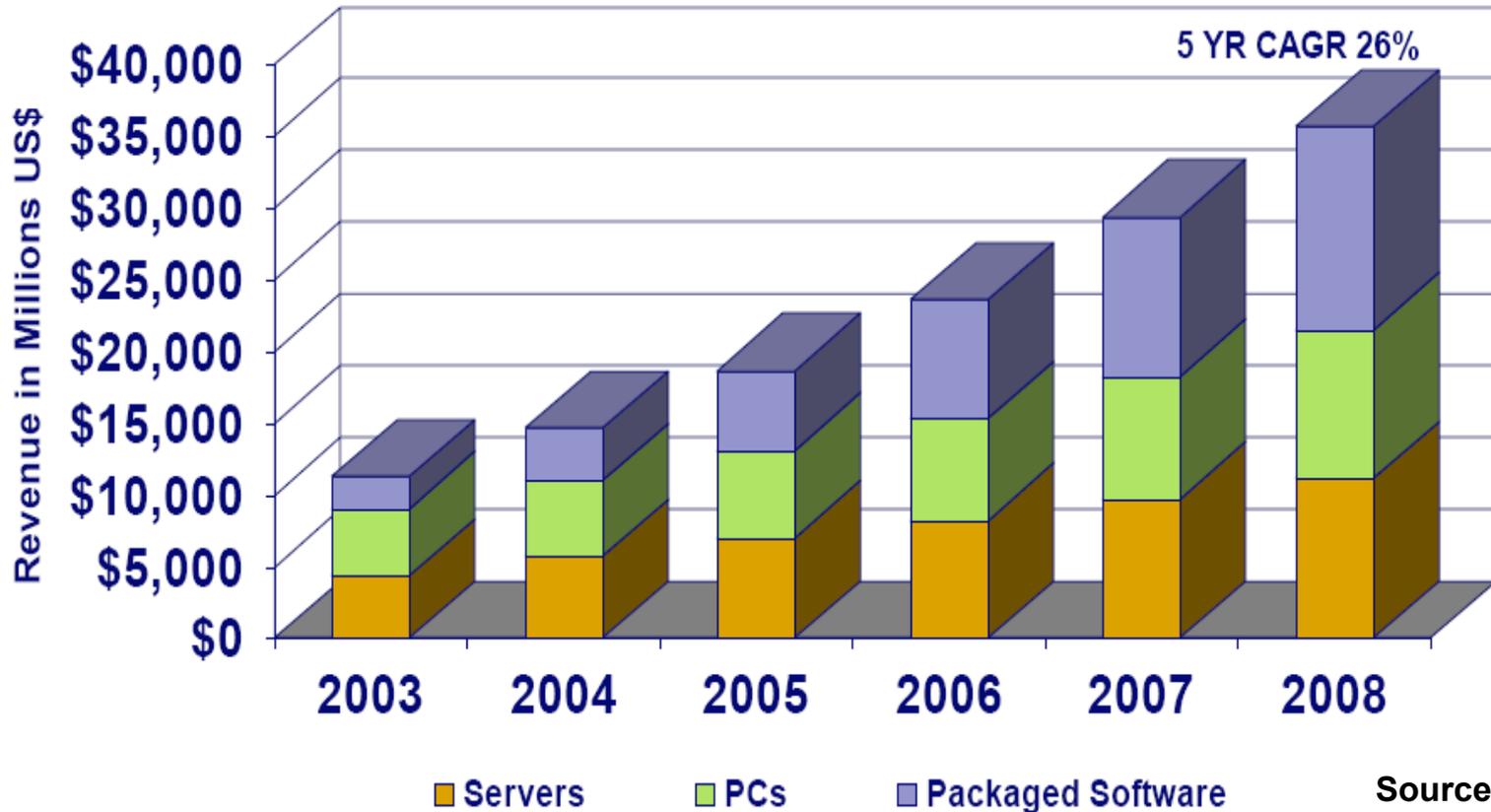
# Opening Remarks

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



# Adoption Trends

## Linux Revenues to Top \$40 Billion in Two Years



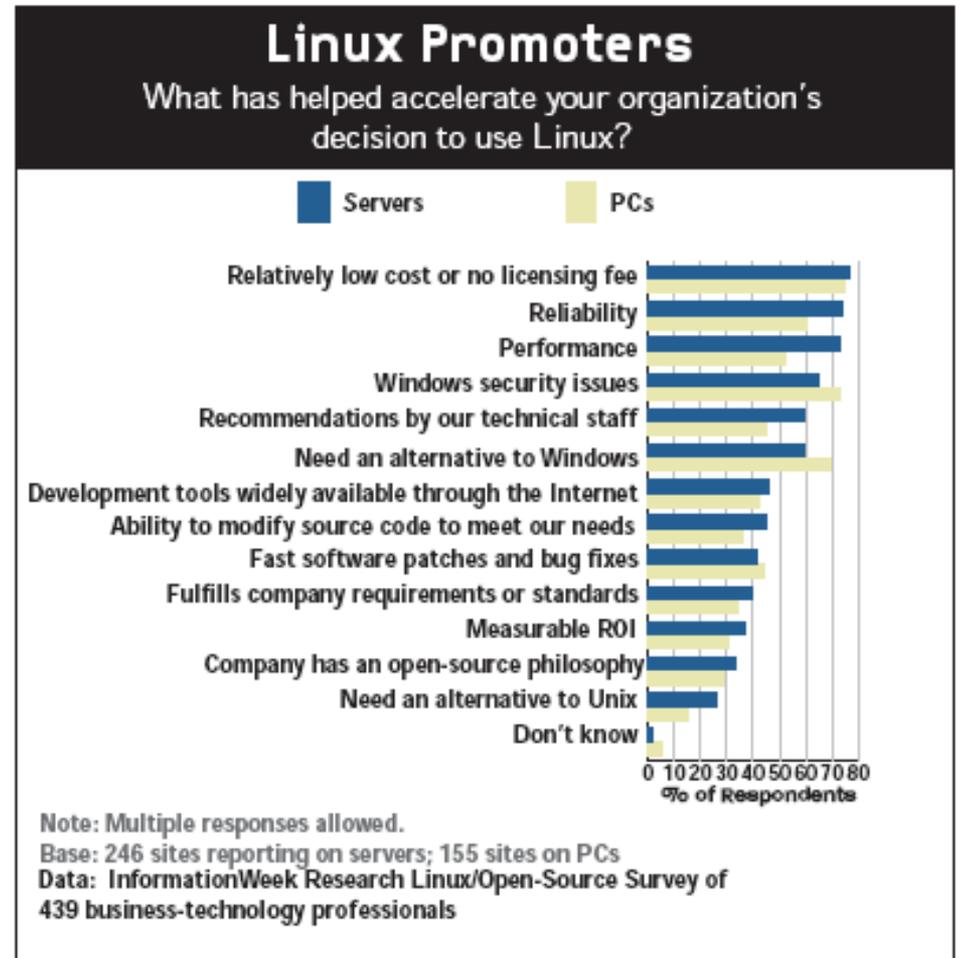
Source: IDC



# 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

- E-mail Servers
- DHCP
- Scientific HPC

### Static Web Infrastructure

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

- Apache
- Websphere
- WebLogic
- Oracle

### Application Serving

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

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

### 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

- Enterprise Integration
- Partner Integration
- Dynamic Business Models

2000 - 2004

2005

2006

Economic value

Applications

# 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



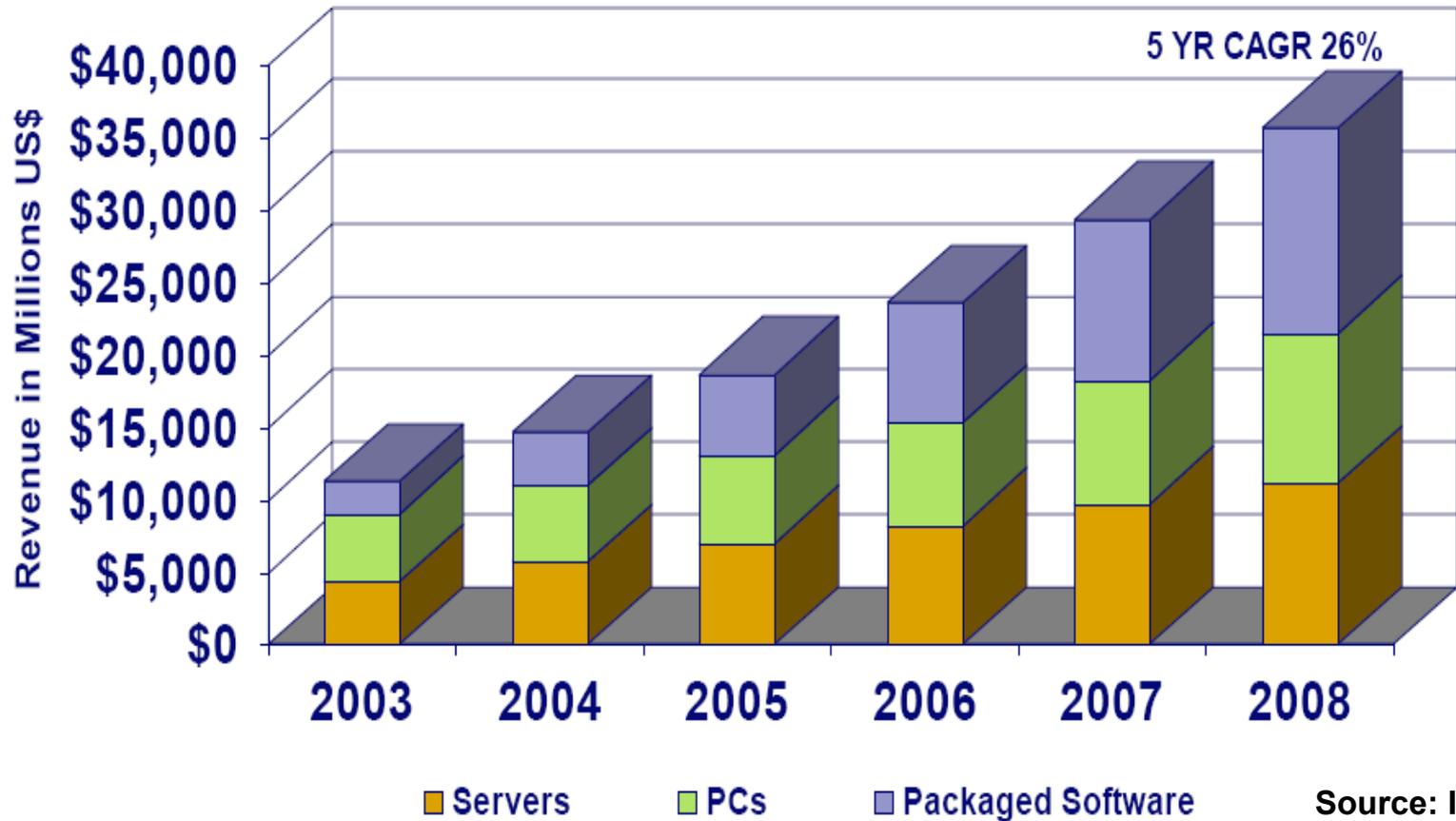
# Message from the CEO: Looking Back

- 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

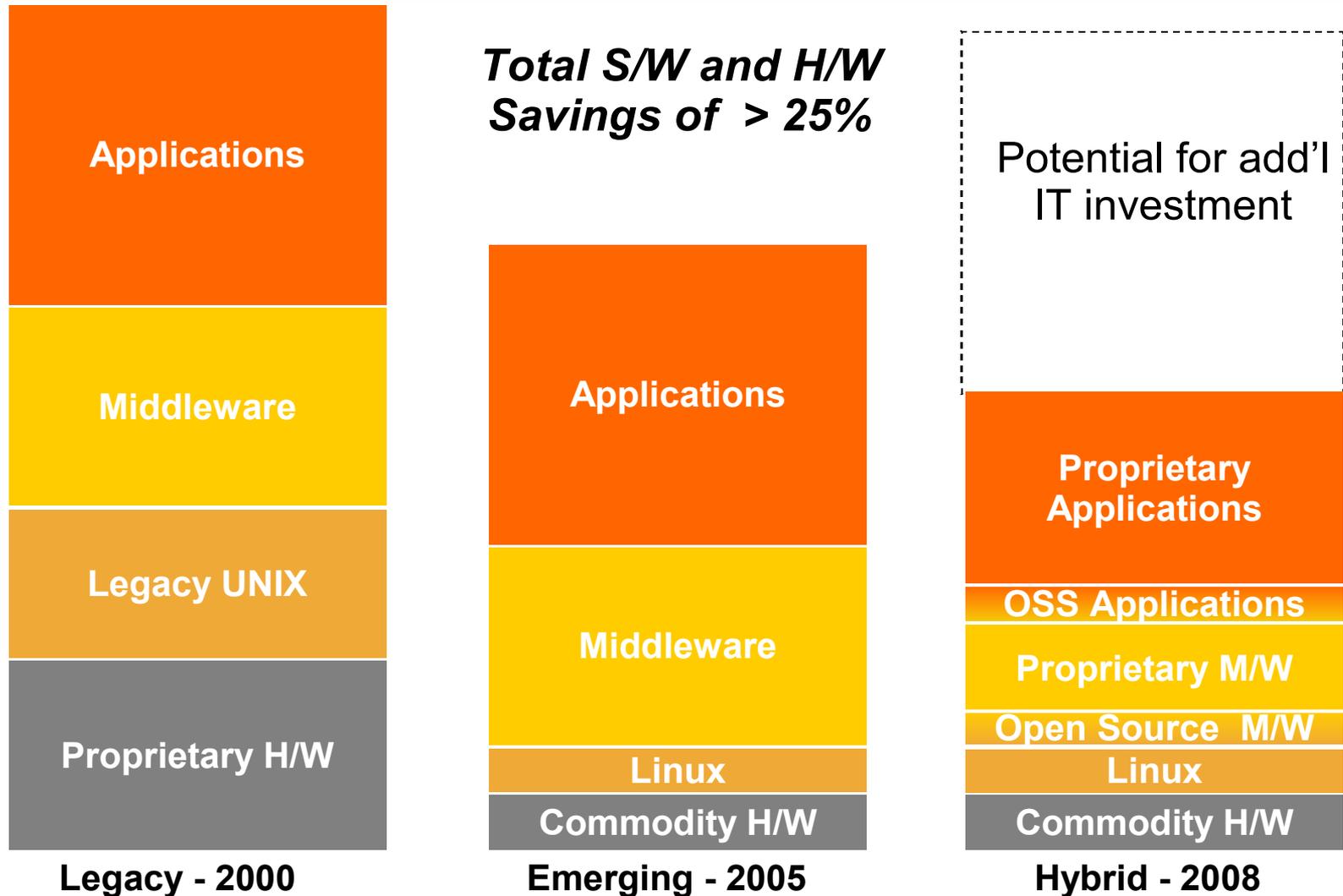


# Linux Adoption Trends

## Linux Revenues to Top \$40 Billion in Two Years



# Cost Implications of Linux and OSS

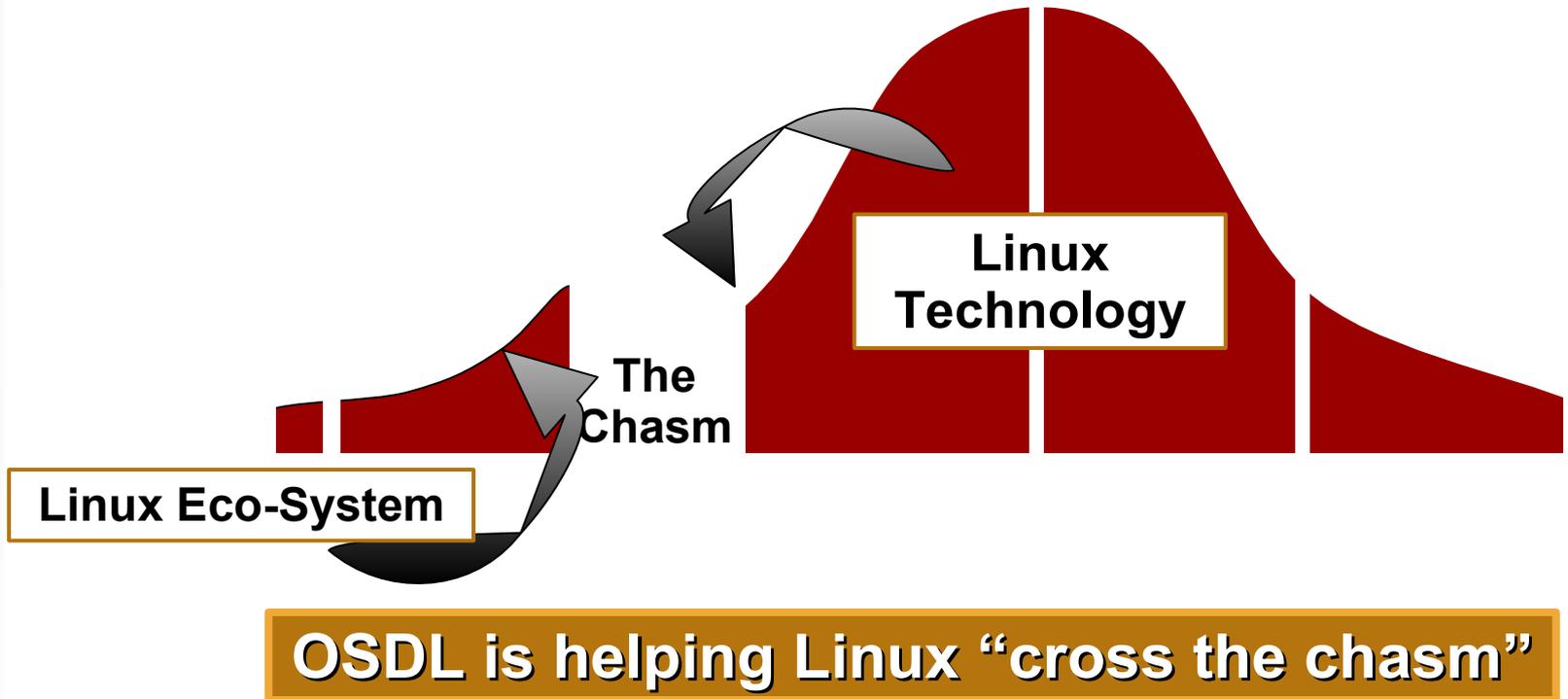


# Linux Growth Rates

- **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)

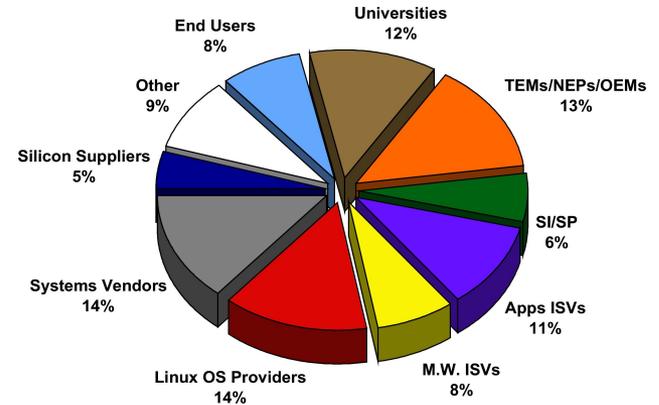


# The Linux Ecosystem is Nearly There

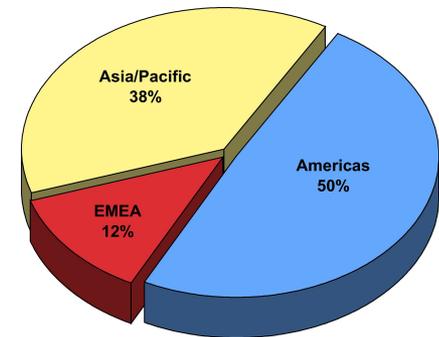


# Membership Trends and Profile

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



Membership by Category



Membership by Region



# OSDL in the News



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

# 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>
  - 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
- Hosted Desktop Architects' meetings (Dec 2005, May 2006)
  - 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
    - EMEA: July 2005, May 2006
    - 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



# 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



# 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