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## **The 451 Group: Desktop and Application Virtualization Technology Will Be Next to Permeate the Enterprise IT Market**

### ***New Report Provides a Taxonomy of Approaches to Desktop and Application Virtualization and a Gap Analysis of the Market with a View to Future M&A Activity***

**New York, June 14, 2007** – The 451 Group believes that virtualization is transforming the datacenter, and the next wave of virtualization technology will benefit desktops and applications. These improvements will lead to greater efficiency and power savings as this virtualization layer of software abstraction is added to the enterprise software infrastructure. These findings are contained in a report released today by New York-based The 451 Group, a technology-industry analyst company focused on the business of enterprise IT innovation.

Today, enterprise IT administrators face tough challenges involving desktop management and application distribution. These problems involve running applications across incompatible operating systems, managing desktop sprawl, and ensuring efficient provisioning and secure execution of desktop applications. These problem sets can be addressed by adding another layer of 'indirection.'

"By allowing partitioning, emulation and aggregation at every layer of the software stack, virtualization is transforming enterprise IT from the datacenter server farm to the desktop PC, thin client or remote laptop at the enterprise edge," said Rachel Chalmers, Senior Analyst for Enterprise Software at The 451 Group and lead author of the report. "The trouble is that approaches for desktop and application virtualization differ, and many are complementary, leading to tremendous market confusion as to which companies and technologies are competing head-to-head and which are building on one another. With a judicious strategy, however, a typical savvy customer should be able to glean substantial cost savings by deploying the software discussed in this report."

This report identifies six categories of desktop and application virtualization technology:

- Application isolation
- Application streaming
- Desktop virtualization
- Virtual appliances
- Workspace virtualization (client-hosted)
- Workspace virtualization (server-hosted).

The market has already seen \$1.5bn in M&A activity related to desktop and application virtualization over the past 24 months, and 451 analysts predict that there is more to come.

"A validated emerging market is a venture capitalist's honey pot. The 20 privately held companies profiled in this report have collectively raised at least \$200m in venture capital. Investors are pressing into this new market as part of their own urgent need for big wins and high returns," said Chalmers.

This 110-page report, 'Virtualization II: Desktops and applications are next,' was written by Rachel Chalmers. In December 2006, The 451 Group released a 451 Special Report titled 'V for virtualization: Transforming the datacenter, driving M&A' that looked at server virtualization, and in particular the ecosystem that is growing up around x86 server virtualization. This 451 Special Report picks up where 'V for virtualization' left off, venturing beyond pure x86 server virtualization into even newer and more speculative markets. It aims to examine the state of the art in desktop and application virtualization technology. It provides a taxonomy of approaches to desktop and application virtualization and offers a gap analysis of the market with a view to future M&A activity, looking at holes in the portfolios of likely acquirers and where privately held companies might fill those holes.

**Key Companies Covered**

The report includes in-depth competitive assessments of the following companies (although this is not a complete list of companies covered in various sections of the report): Altiris, AppStream, BMC Software, CA Inc, Citrix Systems, CohesiveFT, DeviceVM, Dunes Technologies, Endeavors Technology, Enomaly, Exent Technologies, FastScale Technologies, Hewlett-Packard, IBM, Innotek, Kidaro, LANDesk, LeoStream, Microsoft, Neocleus, Parallels, Provision Networks, Qumranet, rPath, Sentillion, Sun Microsystems, Thinstall, Trigence, VMware and Zeus Technology.

**Report Orders**

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**About The 451 Group**

The 451 Group is an independent technology-industry analyst company focused on the business of enterprise IT innovation. The company's analysts provide critical and timely insight into the market and competitive dynamics of innovation in emerging technology segments. Clients of the company – at vendor, investor, service-provider and end-user organizations – rely on 451 insight to support both strategic and tactical decision-making for competitive advantage.

The 451 Group is headquartered in New York, with offices in key locations, including San Francisco, London and Boston. The company also operates Tier 1 Research – an independent division of The 451 Group, headquartered in Minneapolis – which analyzes the financial and industry implications of developments impacting public and private companies within the IT, communications and Internet sectors.

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