

# Novell to Acquire PlateSpin

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## Strategy and Integration:

### Who is PlateSpin? What is their mission?

PlateSpin provides the most advanced data center management software designed to optimize the use of server resources across the enterprise, both in the physical and virtual environment, to improve business service levels and lower costs. PlateSpin technology liberates software from hardware platforms allowing servers to be streamed over the enterprise network from any source to any destination, ensuring the best fit between server resource supply and application workload demands.

Global companies use PlateSpin solutions to lower costs and solve today's most pressing data center initiatives such as server consolidation, disaster recovery, hardware migration and test lab automation.

### Why is Novell acquiring PlateSpin?

The planned PlateSpin acquisition is consistent with Novell's strategy as an infrastructure software company that helps customers around the world manage their mixed IT environment. This action will help Novell's customers, directly or with one of our business partners, manage their heterogeneous environment, and help all of their IT work together.

Customers need an agile IT infrastructure that immediately responds to changing business conditions allowing IT to become a strategic productivity center rather than a rigid cost center. At the same time, new levels of infrastructure complexity and heterogeneity are making it more difficult for IT to respond to its business users' requests.

The acquisition of PlateSpin positions Novell to provide leading management solutions that allow customers to achieve data center operational efficiencies and power business. The acquisition brings together the platform and automation management from Novell with PlateSpin's leading solutions for workload relocation, protection and provisioning.

This is a key component of Novell's management blueprint that was announced in 2007. Customers can access Novell's Blueprint for Better Management from the Desktop to the Data Center whitepaper at:

<http://www.novell.com/surveyutil/survey.jsp?id=65>.

### Doesn't this acquisition put Novell in competition with some of your partners?

Novell continues to pursue its two-pronged strategy of offering enterprise-wide Linux and IT management software. We continue to focus on interoperability and choice for our customers, and our partners, which allows them to make IT work together. The IT industry is rich with examples of companies who cooperate as partners and compete as well. Our partnership with Microsoft is a good example of this today. PlateSpin shares this

same focus and partner strategy. In fact, Novell and PlateSpin enjoy many of the same partnerships and close alliances. With this acquisition, Novell offers customers great flexibility for managing their heterogeneous physical and virtual environments, regardless of customers' choice of hardware, software, operating system or virtualization.

**What will happen to the PlateSpin corporate and brand names?**

PlateSpin will be integrated into Novell's Systems & Resource Management business unit. As part of this business unit, PlateSpin will continue to develop and market its solutions to a global customer base. There are no current plans to change the PlateSpin name or their product names, as we want to leverage the awareness, momentum and strength that both company's brand names have in the marketplace.

**What do Novell and PlateSpin have in common?**

Both organizations are focused on helping customers maximize the strategic value of the heterogeneous data center and optimizing IT operations. Together we offer a comprehensive workload management and virtualization solution for heterogeneous physical and virtual infrastructure. Both companies help customers make their IT work better together and share a similar value proposition to the marketplace.

**How does PlateSpin fit with Novell's strategy?**

As Ron Hovsepien said in our acquisition announcement, "The PlateSpin acquisition will be a cornerstone of our two-pronged enterprise Linux and IT management software strategy. With the addition of the PlateSpin product portfolio, Novell will be uniquely positioned to deliver the next generation infrastructure software that is at the core of the data center."

Mixed-IT environments are a reality for almost all organizations, and Novell understands you can't let this reality undermine your ability to compete. In fact, Novell has been helping customers manage a mixed environment for many years. SUSE Linux Enterprise is the only platform that has been optimized to work with Windows and our award-winning management software seamlessly integrates multiple platforms, making it easy to manage and secure heterogeneous environments.

PlateSpin has focused on cross-platform functionality and interoperability throughout their product line. Their solutions offer enterprises the ability to separate server workloads from the underlying hardware, and profile, deploy, move, copy, protect and replicate these workload units anywhere in the data center across physical and virtual boundaries. These technologies, together with the new workload-based view of the data center, are providing new ways for organizations to achieve operational efficiencies in the heterogeneous data center. PlateSpin shares Novell's vision of driving down the cost, complexity and risk associated with a complex IT infrastructure.

To hear management discuss this announcement in more detail, you can listen in to the press conference call at 11 a.m. EST on Monday, Feb., 25. A live Webcast of the call will also be available at [www.novell.com/pressconference](http://www.novell.com/pressconference). The call will be archived and available at [www.novell.com/press](http://www.novell.com/press).

**Does Novell plan additional acquisitions to compliment the PlateSpin acquisition?**

Novell will not comment on the topic of acquisition outside of regular public financial statements.

**How do I find out more?**

Additional details regarding this announcement will be available at [www.novell.com/platespin.html](http://www.novell.com/platespin.html)

and [www.platespin.com/novell](http://www.platespin.com/novell) . Novell and PlateSpin customers may contact their current sales and support representative for additional information

## **Customer and Partner Support:**

### **What benefits can customers expect from the combination of PlateSpin and Novell?**

First, Novell and PlateSpin can provide the freedom and agility to easily cross physical and virtual infrastructure boundaries to enable IT to work together and dynamically deliver the services business users need. By providing a unified workload management framework that includes an integrated virtualization platform and a management suite for balancing workloads between the virtual and physical worlds, Novell and PlateSpin deliver the visibility, flexibility and agility your IT systems need to respond to fluctuating business requirements.

What differentiates our combined offering from the competition is unparalleled support for mixed infrastructure environments – providing complete workload lifecycle management and optimization for Windows, UNIX and Linux operating systems in the physical and virtual data center.

Second, the larger size and global reach of the combined companies will let us meet our customers' demands more effectively. We can offer access to a full range of integrated enterprise solutions as you seek to optimize your data center and make your IT work together.

Third, customers can expect to see future investments in new development projects and the emergence of a robust, integrated solution set that brings together the strengths of both companies' talents and technologies.

### **Do Novell and PlateSpin have any existing joint customers?**

Yes, there are mutual customers between Novell and PlateSpin. There is not product overlap, so any common customer will benefit from a more holistic approach to managing the heterogeneous data center. One of the additive benefits of the acquisition is that both organizations benefit from additional management expertise for future product development. Therefore, our current and future customers will benefit.

### **Will sales coverage change for existing PlateSpin customers? How will they be notified?**

PlateSpin customers will continue to contact and work with their PlateSpin account representative. Novell customers who want to learn more about the benefits of this acquisition for their business can contact their appropriate Novell contact.

### **How long will training and support be available for PlateSpin products?**

PlateSpin will continue to offer world-class technical support and training for its entire product portfolio.

### **How will PlateSpin products be supported?**

PlateSpin standard and premium support offerings will continue unchanged with global 7/24 support from its Toronto-based facility.

### **Will Novell change the way PlateSpin licenses and prices current products?**

Not at this time.

**How are PlateSpin products sold? Any changes?**

Today, PlateSpin products and solutions are sold worldwide through a global network of value-added partners and distributors, dedicated enterprise account teams, and through system integrator alliance partners. We do not anticipate any changes other than continued growth and acceleration of these routes to market. Novell will be able to expand channel sales capabilities, as well as bring Novell's large global service partners into the PlateSpin ecosystem.

**What does the acquisition mean to current PlateSpin partners?**

PlateSpin's current partner program is optimized for their product offerings and partner relationship management will remain with PlateSpin. The PlateSpin partner base will have the opportunity for new growth by choosing to join Novell's global partner program, Novell PartnerNet.

**Who are PlateSpin partners and alliances today, and will they continue these relationships?**

Today, PlateSpin maintains partnerships with many industry leaders including: Dell, IBM, Microsoft, Red Hat, VMware, Virtual Iron, XENsource (Citrix), Unisys and many others. Novell also partners with many of PlateSpin's partners today. There are no plans at this time to change PlateSpin's partnership program or strategy.

**What does the acquisition offer current Novell partners?**

Today, Novell has many partners certified to sell and service our data center management offerings. Existing ZENworks data center management partners can choose to join the PlateSpin partner program, giving them access to the combined Novell / PlateSpin portfolio.

## **Products and Technology:**

### **What is the new industry-defining technology or solution resulting from the PlateSpin acquisition?**

The Novell and PlateSpin product set includes:

- **SUSE® Linux Enterprise Server:** SUSE Linux Enterprise Server is the best platform for mission-critical workloads in your data center. It includes the Xen\* hypervisor, an open source virtual machine (VM) monitor that coordinates low-level interactions between virtual machines and physical hardware.
- **SUSE Linux Enterprise Virtual Machine Driver Pack:** This paravirtualized driver pack strengthens connectivity between guest operating systems and the underlying hypervisor. It uses additional channels of communication that improve performance and allow virtualized guests, such as Windows, to achieve powerful, near-native performance levels.
- **Novell ZENworks® Orchestrator:** As the "brain" of the data center automation system, Novell ZENworks Orchestrator allows your administrators to manage physical and virtual resources in heterogeneous IT environments.
- **Novell ZENworks Virtual Machine Management:** With Novell ZENworks Virtual Machine Management, you can discover servers for virtual machine commissioning; find offline and online virtual machines; deploy, re-deploy and roll back virtual machines; and manage physical, virtual and storage compute nodes.
- **PlateSpin PowerRecon:** PowerRecon is software that monitors, analyzes and determines the optimal fit between server resource supply and workload demand. By remotely capturing server inventory, resource capacity and workload demand statistics, PowerRecon ensures that the right server infrastructure has been matched to the right application workload to maximize performance, while minimizing hardware cost.
- **PlateSpin PowerConvert:** PowerConvert is a software product that allows server workloads to be streamed between physical servers, blade infrastructures, virtual machines, and image archives over the network. PlateSpin's workload portability technology is the first and only solution that decouples data, applications and operating systems from servers, re-configures and optimizes resources, and automatically streams workloads to any physical or virtual platform.
- **PlateSpin Forge:** PlateSpin Forge is a consolidated recovery hardware appliance that protects both physical and virtual server workloads using embedded virtualization technology. In the event of a production server outage or disaster, workloads can be rapidly powered on in the PlateSpin Forge recovery environment and continue to run as normal until the production environment is restored.

### **When will Novell provide a joint product roadmap?**

The acquisition of PlateSpin does not disrupt currently planned deliverables by either company at this time.

More detailed information on integration and joint roadmaps will be released after the acquisition closes.

### **Are there plans to discontinue any PlateSpin or Novell products?**

No. PlateSpin will continue to develop, market, and sell their products and solutions. No Novell products will be discontinued as a result of the acquisition.

### **Will any PlateSpin or Novell product release cycles be affected?**

No changes are anticipated at this time.

### **Will PlateSpin be integrated into Novell and if so which parts and into which business unit(s)?**

The majority of integration will be with Novell's Systems and Resource Management business unit.

### **Are there any plans to open source any PlateSpin products?**

Not at this time.

**What is Novell's strategy for virtualization in light of the PlateSpin acquisition?**

Novell is positioned very strongly in the virtualization marketplace with the acquisition of PlateSpin. Novell is the only vendor that can make both physical and virtual environments work together seamlessly.

With the acquisition of PlateSpin, Novell now offers customers a full solution stack with a powerful virtualization platform and a best-in-class heterogeneous management solution. The acquisition will extend Novell's leadership in enabling the next-generation data center by giving customers the only solution to cross both physical and virtual infrastructure boundaries and dynamically deliver the services business users need. The acquisition further enhances Novell's leadership and position in open source virtualization.

## **Transaction and Financial Details**

### **When will the acquisition transaction close?**

The acquisition is expected to close during Novell's second fiscal quarter 2008 subject to the satisfaction of customary closing conditions.

### **What were the terms of the acquisition?**

Novell will acquire PlateSpin for \$205 million using current cash. PlateSpin will be integrated into Novell's Systems and Resource Management business unit. As part of this business unit, PlateSpin will continue to develop and market its solutions to a global customer base. This will be done through the continued operation of PlateSpin's Toronto facility as well as through a combination of PlateSpin and Novell offices and facilities around the globe.

### **When will Novell provide revised financial targets inclusive of the acquisition?**

Novell will provide an update on the financial impact of the transaction during Novell's first fiscal quarter 2008 earnings call scheduled for Thursday, February 28 at 5 p.m. EST.

### **What are the expected synergies as a result of the acquisition?**

Significant synergies will be realized from the Novell's ownership of PlateSpin. Novell now has added PlateSpin's leading solutions for workload lifecycle management to its portfolio. As a result, Novell now offers:

- An enterprise-grade open source virtualization solution and an open source alternative to VMware at a more affordable price
- Virtualization for Windows, Linux and NetWare all on a single platform, with world-class support
- Seamless Integration with existing physical and virtual Infrastructures with support for popular virtualization solutions and simplified management
- Policy-based workload balancing and lifecycle management solutions for managing both the physical and virtual environments.

### **What is Novell's cash balance post acquisition?**

Novell's cash balance will decline by \$205 million post acquisition.

### **When do you expect the integration to be complete?**

During Novell's fiscal year 2008

### **Who is PlateSpin's key management team? Are they staying?**

All key PlateSpin management is staying through FY08; many have accepted permanent employment at Novell. Stephan Pollack, PlateSpin CEO, will take on the duties of VP, Business Development for the SRM business unit.