4Q2008 Linux Report

HP continues decade of Linux server market leadership – Linux-based servers only growth spot year over year
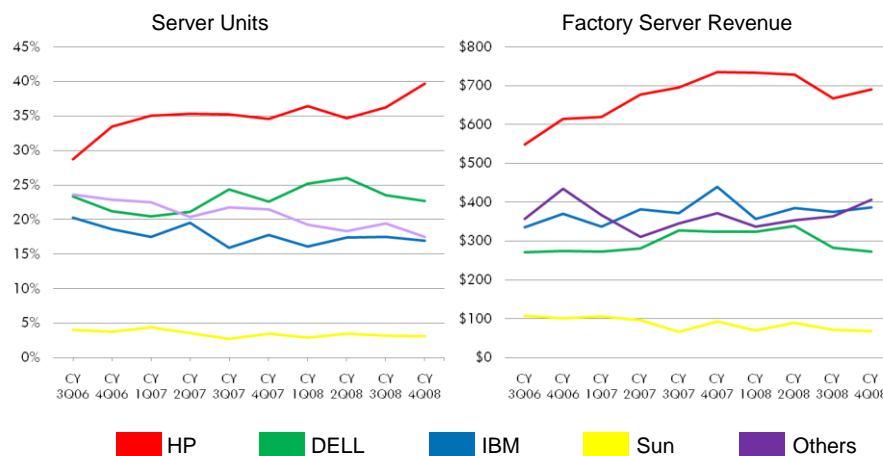
HP has completed its tenth year as leader of the Linux server market in both units and revenue with the close of calendar year 2008[1]. HP (combined with Compaq) has achieved:

- Decade of Linux market share leadership[2]
- $13.3B cumulative server revenues; 3.1M servers sold[3]
    - 76.9% more servers shipped than IBM
    - 63.1% more ($5.3B) revenue than IBM
    - 42.5% more servers shipped than Dell
    - 96.7% more revenue than Dell
    - Over 10 times more servers shipped than Sun

HP is the #1 Linux vendor
Linux server market performance

HP (combined with Compaq) has consistently led the worldwide Linux server market in factory revenue and units for the past decade.

Source: IDC Worldwide Quarterly Server Tracker, March 2009

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HP increased its Linux server unit market share 3.4% in 4Q2008, taking share from Dell and "Others" while IBM remained relatively flat with the total Linux server units declining -6%. In addition, HP's quarterly Linux market share growth outpaced the overall market with total server units declining -7%[4]. HP Linux server revenue ($691M) grew in 4Q2008, with share flat at 38% and overall Linux server revenue growing 3.3%.   Dell lost 1% to "Others," while IBM maintained its revenue share of 21% ($387M).   Linux revenue growth was lower q/q than the overall total OS server market growth of 7.0%. UNIX server revenue market grew 30% q/q. However, y/y, Linux servers grew at 1.3%, the only operating system to show growth over that time period. Windows server revenues declined -5.6%, Unix servers declined -1.9%, and "Others" declined -4.1%.   Total revenue of all operating systems on all servers declined -3.3% y/y[5].

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[1] *IDC Worldwide Quarterly Server Tracker 4Q2008*, February 2009, HP (combined with Compaq) ranks #1 in WW Linux server factory revenue and unit shipments since 1998.

[2] *IDC Worldwide Quarterly Server Tracker 4Q2008*, February 2009.

[3] *IDC Worldwide Quarterly Server Tracker 4Q2008*, February 2009.

[4] *IDC Worldwide Quarterly Server Tracker 4Q2008*, February 2009.

[5] *IDC Worldwide Quarterly Server Tracker 4Q2008*, February 2009.

4Q 2008 Linux Market Share:[6]   **Cumulative Linux server market share (1998 to 4Q08):**[7]

- HP units 40%, revenue, 38%   HP units 31%, revenue 33%
- Dell units 23%, revenue 15%   Dell units 22%, revenue 17%
- IBM units 17%, revenue 21%   IBM units 17%, revenue 20%
- Sun units 3%, revenue 4%   Sun units 3%, revenue 4%
- Other units 22%, revenue 17.5%

HP Linux performed well against the competition on all form factors:

Linux on x86 Servers 4Q2008 Market Share

- HP units 40%, revenue 39%
- IBM units 17%, revenue 17%
- Dell units 23%, revenue 17%
- Sun units 3%, revenue 4%
- Others units 17%, revenue 23%

Linux on x86 Blade Servers 4Q2008 Market Share

- HP units 53%, revenue 58%
- IBM units 31%, revenue 26%
- Dell units 6%, revenue 5%
- Sun units 2%, revenue 2%
- Others units 8%, revenue 9%

Linux on Itanium Servers 4Q2008 Market Share

- HP units 93%; revenue 70%
- SGI units 3%, revenue 15%
- Hitachi units 1%, revenue 1%
- Groupe Bull units 0%; revenue 4%
- Others units 3%, revenue 10%

Linux on Itanium Blades 4Q2008 Market Share

- HP units 99%; revenue 97%
- SGI units 0%, revenue 0%
- Hitachi units 1%, revenue 3%
- Groupe Bull units 0%; revenue 0%
- Others units 0%, revenue 0%

Linux and Open Source Wins and Activities (HP Confidential)

- Central Flow Management Unit (CFMU), an operational unit of EUROCONTROL, enhancing safety through coordinated management of air traffic in Europe, migrated to Red Hat Linux from UNIX, with a goal of running 200 servers in its mission critical environment. The win represents about €5M a year.
- NTT DOCOMO, a world leader in 3G and multimedia services and the largest mobile operator in Japan, has deployed a standards-based media server from HP to reduce costs and shorten time to market for new services. The HP OpenCall software runs on the HP BladeSystem Carrier-Grade Platform with the Linux operating system.
- In a win with Novell, Lanit ZAO, a printing and publishing company in Russia bought more than 700 SuSE Linux Enterprise Server (SLES) subscriptions in a deal exceeding $120K.
- In another win with Novell, MUK Ltd. in Ukraine bought more than 230 SLES subscriptions in a deal totaling almost $100K. These wins with Novell are our first deals in Russia and Ukraine.
- With Red Hat, we had a win at Chicago Mercantile Exchange for $2.2M
- **FOSSology 1.0.0** was released on the first anniversary as an open source project. FOSSology is a Free Open Source Software (FOSS) project built around an open and modular architecture for analyzing software. The open source software tool analyzes a given set of software packages and reports items such as software licenses used by these packages. The 1.0.0 release offers huge improvements to the user interface responsiveness, speed in license analysis, license detection accuracy, and a redesigned build and release system, plus much more.
  - [Complete release notes for FOSSology 1.0.0](#)

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[6] *IDC Worldwide Quarterly Server Tracker 4Q2008*, February 2009.
[7] *IDC Worldwide Quarterly Server Tracker 4Q2008*, February 2009.

o [FOSSology project information and software download](#)

Meet customers' needs with Linux and open source efficiencies and high performance

As we move through 1Q2009 and beyond, HP's focus is providing customers with solutions to help them meet a challenging business environment with efficient, cost-effective technology that provides superlative performance.   Linux and open source are proven resources in providing return on technology investments and a large part of our efforts to give customers the tools they need to succeed.

Thank you for all your work in supporting strong open source and Linux results in IDC 4Q2008 as we all strive to provide complete solutions to our customers.