



4Q08 & FY08 Financial Results

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Additionally during this presentation, we may discuss various non-GAAP financial measures as defined by the SEC's Regulation G. More information on the non-GAAP financial measures used in this presentation can be found in the earnings press release issued today and on the Investor Relations page of our corporate website at www.citrix.com/investors.



Financial Results & Business Outlook

David Henshall

Sr. Vice President & CFO

4Q08 & FY08 Financial Highlights

- Total revenue was \$415.7 million in 4Q08 & \$1.6 billion in FY08
 - An increase of 4% over 4Q07 and 14% over FY07
- Adjusted gross margin was 92% in 4Q08
- Adjusted operating margin was 26% in 4Q08
- Adjusted EPS was \$0.48 for 4Q08 & \$1.63 in FY08

4Q08 & FY08 Geo Highlights

(in millions)	4Q08	4Q07	Y-O-Y	3Q07	SEQ	FY08	FY07	Y-O-Y
Americas	\$176.8	\$171.3	3.2%	\$168.9	4.7%	\$670.5	\$614.2	9.2%
EMEA	\$138.6	\$136.4	1.6%	\$131.5	5.4%	\$524.5	\$447.2	17.3%
Pacific	\$30.9	\$32.9	(6.0%)	\$33.6	(7.9%)	\$128.3	\$116.8	9.8%
Online Services	\$69.4	\$59.0	17.7%	\$64.9	6.9%	\$260.1	\$213.7	21.7%
Total	\$415.7	\$399.6	4.0%	\$398.9	4.2%	\$1,583.4	\$1,391.9	13.8%

Application Virtualization

- Revenue of \$276 million in 4Q08 & \$1,082 million in FY07
 - A decrease of 3% over 4Q07 & an increase of 8% over FY07
 - License revenue decreased by 18% over 4Q07
- Continued Platinum strength
 - XenApp-Platinum 33% of group license revenues in FY08
- Large and small run-rate deals were below expectations
 - 3 XenApp deals > \$ 1 million in 4Q08
- Strength in Subscription Advantage
 - Renewal rates increased 5 points sequentially to mid-80s

Application Networking

- Revenue of \$54 million in 4Q08 & \$193 million in FY07
 - An increase of 13% over 4Q07 & 24% over FY07
- Continued weakness from internet-centric customers
- Increased traction with enterprise customers
 - A 25% sequential increase in new enterprise customers
- NetScaler Platinum contributed approximately 30% of group license revenues in 4Q08 and 26% for 2008



Server & Desktop Virtualization

- Delivered revenue of \$9 million in 4Q08
 - An increase of 40% over 3Q08
- XenServer authorized channel partners increased to over 4,300
- Added several hundred new customers



Online Services

- Revenue of \$69 million in 4Q08 & \$260 million in FY08
 - An increase of 18% over 4Q07 & 22% over FY07
 - Represents 16% of total company revenue in FY08
- GoToMeeting family up approximately 50% vs. 4Q07
- Introducing voice-services in 1Q09



Operating Expenses & Other Income

- 4Q08 Adjusted Operating Expenses of \$272 million
 - A decrease of \$2 million over 3Q08
- Focus on delivering operating leverage
 - Product line simplification
 - Continued integration of acquired businesses
 - Systems automation
- Other income and expenses included a realized gain of approximately \$3 million in 4Q08
- Adjusted tax rate was 27% in 4Q08

Balance Sheet and Cash Flow

- Cash and investments approximately \$850 million
- Deferred revenue increased by \$52 million sequentially
- Cash flow from operations was a record \$166 million
 - Trailing twelve-month cash flow total up over \$462 million
- Repurchased 2 million shares in 4Q08 & almost 11 million shares in FY08

Q109 & FY09 Outlook

- Global IT spending expected to decline in FY09
- Workforce restructuring to improve efficiencies
 - Reduction of \$50 million in annualized employee related expenses
 - Charges expected to be in the range of \$19 million – \$23 million primarily in 1Q09

1Q09 Outlook

- Total revenue expected to be down approximately 5% over 1Q08
- Adjusted operating margin expected to be flat over 1Q08
- Interest income of \$3 million to \$4 million

FY09 Outlook

- Total revenue expected to be approximately flat over FY08
- Continued focus on operating efficiencies driving up to 100 bpts



Business Trajectory

Mark Templeton
President & CEO

2008 Product Accomplishments

- **GoToMeeting & Webinar** –
 - now integrate PSTN & VoIP across both Windows & Mac platforms
- **XenDesktop** –
 - rapidly becoming the leading solution for desktop delivery
- **NetScaler MPX platform** –
 - our most powerful web application delivery platform to-date
- **XenApp 5, XenServer 5, NetScaler 9** –
 - major releases of our virtualization & web app delivery controllers
- **Virtualization-focused Strategic Partnerships** –
 - Microsoft & Global SI's
- **Citrix Cloud Center (C3)** –
 - new offering for cloud service providers

Environment

- Reduced capital spending will broadly impact tech sector
- Customers re-prioritizing IT projects – uncertainty around budgets
- Core value propositions working in our favor::
 - Centralization, optimization, simplification
 - Tangible short-term ROI
 - Strategic value enabling business change

Operating Efficiency & Cost Structure

- Re-aligning the organization with strategic priorities & overall efficiency
- Re-prioritizing discretionary costs
- Implementing short-term & long-term change in our cost structure
- Spending behind demand, while maintaining investment in our strategic core

Online Services

- Strong growth in 2008 – revenue increased 22%
 - GoToMeeting & Webinar delivered ~ 50% annual revenue growth
- 2009 Priorities
 - Leverage audio capabilities to further reduce the cost & complexity of web-based meetings
 - Expansion into key international markets w/ localized offerings

Changing the Economics of Desktop Computing...

App Virtualization



- Flagship product re-branded as XenApp
- XenApp 5 release –
 - Further enhances user experience & simplifies administration
 - Leverages Microsoft's release of Windows Server 2008
- Performance
 - XenApp-Platinum drove new growth & higher ASP's in 2008
 - Q4'08 impacted by tighter budgets & smaller deal sizes
 - Uptick in renewal rates reflects long-term customer commitment
- 2009 Enhancements
 - Disaster recovery & operations management features
 - Smartphone enablement

Changing the Economics of Desktop Computing...

Desktop Virtualization



- **Strong momentum in 2008**
 - Trained over 1,400 partners
 - Built substantial base of early adopters
 - 3 product releases, including XenDesktop 3.0 Early Access release
 - Established XenDesktop as the preferred Microsoft VDI solution
- **Partnership with Intel**
 - Will result in a new, bare-metal client-side hypervisor
 - Xen-based hypervisor will run directly on a user's PC or laptop
- **Project Independence**
 - Transforming the way corporate desktops are delivered & managed
 - End-users gain the freedom to work anywhere any device

Changing the Economics of the Datacenter...

Web Application Delivery

- Solid expansion into Enterprise segment
- NetScaler MPX platform has improved customer win rates & boosted interest in Service Provider & Cloud segment
- In 2009:
 - New capabilities for Web 2.0 apps
 - Significant performance accelerations
 - Multi-tenancy capabilities
 - Add'l expansion in Internet-centric & Cloud segments

NetScaler MPX



Changing the Economics of the Datacenter...

Server Virtualization

- XenServer 5 release
 - High Availability
 - Disaster Recovery
 - P2V & VM provisioning services
 - Enterprise storage enhancements
- In 2009
 - Enterprise value-add capabilities for XenServer
 - Enterprise-class functionality for Microsoft Hyper-V



Takeaways...

- Challenging spending environment
- IT organizations challenged with complexity
- Economics of computing are being re-thought... opportunities for new winners being created
- Citrix in a solid position to capitalize on opportunities in virtualization, cloud computing, SaaS & Web 2.0



Q&A

