

September 1999

Memo to:

Linux represents a stable, full function operating system alternative to NT. Linux has an installed base of 17 million in 1998, estimated to climb to 100 million by 2003, much of that in China and Asia. Linux now dominates Internet e-mail server applications. It is poised to participate in distributed transaction processing markets. Value chain and supply chain applications promise to enhance the usefulness of Linux. By extending the reach of the system, market participants leverage the effectiveness of it.

A new study from WinterGreen Research addresses Internet and software market opportunities and issues by analysis of Linux strategic positioning. Enclosed is a brochure describing the study LINUX WORLDWIDE MARKET STRATEGIES, FORECASTS TO 2003. The study provides forecasts of a range of market segments and provides market analysis.

Further information is available at www.wintergreenresearch.com. We respectfully request that you purchase the study using the form on the brochure or on the web site.

Thank you,

Susan Eustis

Report No. A 803999280 220 + Pages 55 Tables and Figures 1999 \$2,800

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LINUX WORLDWIDE MARKET STRATEGIES FORECASTS TO 2003

September 1999

Memo to: Director of Strategic Marketing

Linux is positioned to participate in market demand for Internet servers because of its installed base, low cost, and stable operation. Previously, open software systems have not been able to build market demand. Linux, however, is building considerable demand in the market for the operating system and associated applications by virtue of its usefulness to ISP providers to run Internet e-mail systems. As a scalable operating system, Linux promises to fill a void in e-commerce markets for a stable, low end, transaction based operating system. Linux operating system and applications are expected to further evolve.

Companies do not sell Linux, they sell solutions that are based on Linux. By going up the value chain, market participants enhance the usefulness and value of Linux. By extending the reach of the system, the market participants leverage the effectiveness of it.

Linux is an operating system widely used in business computers that serve as the hub of local computer networks and Web sites. Linux applications include ISP e-mail, e-commerce solutions, distributed transaction processing, telecommunications, communications, and office productivity tools. Linux can be used to support customer relations. It is Java enabled. New solutions are targeted to the supply chain and to ERP applications.

Once the Linux system is up and running, it is likely to have far fewer crashes than Windows. Linux machines run continuously for months, even years, without crashing. Linux is an operating system built for Intel compatible PCs. It is the result of a worldwide development effort over the Internet. It can be used as a workstation or server operating system software for tasks ranging from large reliable Internet web servers, to low-cost workstations for client/server networks.

Linux markets are driven by the need for worldwide information services and communication at modest cost to the user. The convergence of the telephone and data networks is occurring in the context of Internet growth. A new study from WinterGreen Research **LINUX WORLDWIDE MARKET STRATEGIES, FORECASTS TO 2003** provides a description of Internet market opportunities. See WinterGreen Research at the Web site

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