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**VMWARE STRENGTHENS PARTNERSHIP WITH IBM
TO DELIVER SERVER CONSOLIDATION SOLUTION**

VMware's pioneering "virtual computing" product achieves IBM ServerProven status

ASP Agilera uses VMware software on IBM servers to reduce hosting costs

Palo Alto, CA. -- December 17, 2001 -- VMware, the global leader in virtualization software for Intel computers, today announced that its enterprise-class server software solution -- VMware ESX Server -- has achieved IBM ServerProven validation. The product is fully optimized to run on certain IBM eServer* xSeries** systems, enabling IBM customers to better manage the rising cost and complexity of running an e-business with virtual computing technology. Today's announcement extends VMware's relationship with IBM, a charter member of VMware's Preferred Hardware Program.

VMware's virtual-computing server software products -- VMware ESX Server and VMware GSX Server-- enable businesses to dynamically partition their physical servers into multiple secure and transportable virtual computers. Each virtual computer is configured with its own operating system, applications, and network identity. In addition, each virtual computer is completely isolated so that entirely separate computing environments can be hosted on one physical server. The results include better server utilization while ensuring application performance, optimal flexibility and manageability of computing resources, and reduced cost and complexity of delivering enterprise services.

VMware ESX Server and IBM xSeries systems combine to form the ideal server consolidation solution for enterprise and service provider data centers. With VMware ESX Server and IBM xSeries hardware, both enterprises and service providers can better manage the total cost of ownership (TCO) of their computing resources.

Many customers have already deployed VMware's ESX Server on IBM xSeries systems to reduce TCO. Agilera, an ASP based in Colorado, uses ESX Server on IBM xSeries systems for hosting its customer Domain Controllers on fewer servers.

"Agilera looks to use information technology to deliver the most value to its customers," said Robert Unger, CEO of Agilera. "Using VMware ESX Server and IBM xSeries systems, we have been able to save considerable costs on hardware and system management which we have been able to pass along to our customers to deliver better value."

IBM ServerProven status is becoming increasingly important as software customers look for ways to leverage industry leading scalability, reliability, and performance of IBM eServer hardware. VMware passed a series of rigorous quality assurance tests designed by IBM that lasted for several weeks. The current systems that have achieved ServerProven status include the x350 and the x370. Membership in the IBM ServerProven Program provides confirmation that customers can deploy ESX Server and eServer xSeries systems with confidence.



“Together, VMware ESX Server and xSeries systems enable customers to experience the benefits typically found in enterprise class server environments, on the Intel platform,” said Nick Bowen, VP IBM eServer xSeries Software and Performance. “Now that ESX Server has achieved ServerProven status, our customers and partners have the assurance that ESX Server and IBM xSeries systems have been tested and tuned to perform optimally.”

“We are of course very pleased to have met the high technical standards that IBM sets for its partners in the ServerProven Program,” said Diane Greene, co-founder, president and CEO at VMware. “Now both companies can focus on bringing solutions to the IT marketplace where the demand for server consolidation and management keeps growing.”

About VMware

VMware, Inc. virtualizes computing, dramatically reducing the cost and complexity of delivering enterprise services. The VMware virtualization layer turns your physical computers into a pool of logical computing resources. The resources can then be dynamically allocated to any operating system or application at your choice of granularity. As a result, our customers can use our software to consolidate servers and manage server capacity, rapidly provision, streamline application deployment, guarantee service levels, and speed development and testing. VMware was founded in 1998 and we have more than 750,000 registered users internationally. We're based in Palo Alto, California and we're on the Web at <http://www.vmware.com>.

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** THE IBM ESERVER BRAND CONSISTS OF THE ESTABLISHED IBM E-BUSINESS LOGO WITH THE DESCRIPTIVE TERM "SERVER" FOLLOWING IT.