

Summer 2007

Sun™ Services Quarterly News

Sun Services delivers the expertise to build, support, and transform our customers' IT infrastructures to optimize business performance. Built on a powerful combination of technology, knowledge, processes, and collaborative alliances, Sun Services enables our customers to focus on expanding their market share and gaining a competitive business advantage. Sun's global service and support offerings help customers increase system service levels, improve datacenter operational efficiency and effectiveness, and deploy automation technologies to provide predictive, preemptive, and proactive services.

Cool Facts

- The overall Sun Services business grew an impressive 8.6% year over year (Y/Y) in fiscal year 2007 (FY07) to \$5.1 billion. Services grew 3% Y/Y to \$1.3 billion in Q4 FY07. Equally important, Services grew deferred revenue to nearly \$2 billion.

Financial Profile

- Continued services growth was delivered through strong performance in SunSM Managed Services in the second half of the fiscal year and four consecutive quarters of Y/Y growth in Sun Professional Services.

Financial Profile

- Sun was placed in the Leaders quadrant in Gartner's Storage Services Magic Quadrant.¹ *Gartner, "Magic Quadrant for Storage Services, 2Q07," Adam W. Couture and Robert E. Passmore, 5/16/2007*

- Sun received the 2007 STAR Award for Best On-Site Services from the Service & Support Professionals Association (SSPA). *"The Star Awards for Best Practices," SSPA, 5/08/2007*

- Sun System Performance Packs integrate servers and/or storage with software and Sun support services for less than the cost of purchasing them separately—and in some cases, less than the price of the system with warranty only.

Solution Profile

Business Results from Customers

- With a Sun storage area network (SAN), Sun Professional Services, and SunSpectrumSM service plan, Eastern Illinois University increased application availability, reduced its backup window 83%, and improved its data protection and business continuity. University IT staff are now more productive, enabling them to spend more time supporting the school's commitment to education.

Customer Snapshot

- Sun Learning Services is providing the U.S. Navy the curriculum to train ship personnel to administer and maintain their computing platform. Sun Professional Services is providing ongoing consultation and technical support, and configuring software and hardware at Navy laboratories. Sun servers, software, and services allow the Navy to set a course toward a single platform while providing support for the multiple operating systems still in use.

Customer Snapshot

- The National Stock Exchange (NSX) needed to build a new trading system that could handle millions of orders a day and then scale quickly as transaction volumes grew, so they engaged Sun Professional Services to consult on the initial system design. NSX then awarded Sun the contract to build the system—and its performance is exceeding expectations. NSX has achieved a best-case response time of 630 milliseconds and an



average of 1.6 milliseconds, easily surpassing the exchange's targets. The platform can handle more than 16 million transactions a day. Thanks to the superior price/performance of the Sun platform, NSX can charge a lower rate for its services and compete effectively against the larger exchanges. A SunSpectrum service plan provides hardware support for the Sun platform, and the NSX IT staff is utilizing Sun Learning Services to keep skills up to date.

Customer Snapshot

- Building an energy- and space-efficient datacenter isn't just a matter of plugging in the right gear. It requires careful and thoughtful design of the facility and IT administration processes. Sun Professional Services has the expertise and experience to contribute to that effort, according to Betfair CTO Rorie Devine. "Betfair has a good relationship with Sun on a lot of levels. We can tap into their experts for design and implementation to take full advantage of Sun technology. Sun Professional Services helps shape our thinking and get the efficiencies we're looking for."
Customer Snapshot
- Sun Professional Services assisted the Las Vegas Valley Water District with installation and implementation of database and virtualization solutions. In addition, Sun Learning Services is helping the district's IT team create training programs on Sun technologies. "Sun gives us high reliability in systems, high availability for our own customers, expert consulting and support, and a completely engineered solution based on strong partnerships with our other vendors," says the district's senior systems administrator, Greg Hearn.
Customer Snapshot

What Others are Saying

- "Analysts at Ovum said the [SunSpectrum Enterprise service plan] could throw Linux distributors onto the back foot, as they cannot combine multivendor hardware support and OS support without the help of box vendors. At the same time, said Ovum, HP, IBM, and Dell offered single contract Linux support, but only on their own boxes."
"Sun wants to support everybody's boxes," Joe Fay, Channel Register, 6/26/2007
- "All the technology aside, perhaps the most innovative aspect of the new blade solution is its inclusion in the Sun Refresh Service," writes Sageza Group analyst Clay Ryder. "Sun has been in the forefront of adapting subscription models not only to its software offerings but, more importantly, to its hardware as well. By ensuring that organizations will have up to three refreshes of their technology over a 42-month period, Sun is effectively compressing the traditional technology refresh cycle of three to five or more years down to one."
"Of the Sun Blade 6000," Clay Ryder, The Register, 6/22/2007
- "Sun Microsystems has a services practice that helps customers tier their application workloads as a prerequisite to adopting server virtualization, which in turn, can reduce a customer's server population and power requirement."
"Tapping Buyers' Growing Interest In Green IT," Christopher Mines with Eric G. Brown and Emily Van Metre, Forrester Research, 5/10/2007

1 The Magic Quadrant is copyrighted 16 May 2007 by Gartner, Inc. and is reused with permission. The Magic Quadrant is a graphical representation of a marketplace at and for a specific time period. It depicts Gartner's analysis of how certain vendors measure against criteria for that marketplace, as defined by Gartner. Gartner does not endorse any vendor, product or service depicted in the Magic Quadrant, and does not advise technology users to select only those vendors placed in the "Leaders" quadrant. The Magic Quadrant is intended solely as a research tool, and is not meant to be a specific guide to action. Gartner disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose. Reprints are available.

"Sun's expertise is top-notch. I was even more pleased than I thought I would be. From the very beginning through to the end, Sun stayed with us. They guided us through the process. They went above and beyond some of the things we had in our RFP."

Customer Snapshot

— Brian Murphy
Associate director of information technology, Eastern Illinois University