

FOR IMMEDIATE RELEASE

The WINDs of Change Reveal Embedded Linux Constants

Natick, Massachusetts – July 24, 2009 – A recently published report by VDC Research indicates that Wind River Systems is now the leading commercial supplier of solutions for the embedded Linux market, ranked as a percentage of total market revenue.

After Wind River’s ascension to the top spot, we thought it would be fitting to take a look back at the competitive landscape when Wind first entered the market. Although the landscape has changed rather significantly over just a five year period, Wind River’s chief competitor within the space, MontaVista Software, has maintained a position of leadership within this dynamic market.

	2003	2008
30% Market Share or Greater	MontaVista Software	Wind River Systems
20 to Less Than 30% Market Share		MontaVista Software
2 to Less Than 10% Market Share (alphabetical order)	ARM Ltd. FSMLabs LynuxWorks Metrowerks Red Hat SYSGO AG TimeSys Corporation Viosoft	ARM Ltd. Concurrent Computer Corporation Lauterbach Lineo Solutions SYSGO AG TimeSys Corporation VirtualLogix

In fact – until this most recent report – MontaVista Software had resided atop the competitive landscape since VDC published its first Linux report covering the 2000 market, which is an especially significant achievement given the number and magnitude of other changes within this market.

“The embedded Linux ecosystem remains highly fragmented due to the large number of public and commercial distributions and tools available to embedded systems manufacturers, said Chris Rommel, Analyst with VDC’s Embedded Software and Tools Practice. “The commercial embedded Linux market, however, has remained a two horse race over the past few years and Wind River finally caught up. It will be interesting to see if it was just a short sprint or if they can hold their lead going forward.”

Will the Wind Shift Again?

While it appears as though Wind River has maintained their momentum and lead through the first half of 2009, this significant shift in the competitive landscape may only be temporary given Intel's recent acquisition of Wind River Systems. Although Wind River's products and services portfolio may strengthen Intel's semiconductor value proposition, VDC estimates that Intel architecture designs currently represent less than 15% of Wind River's overall revenue. As a result, a significant amount of Wind River's market share will rest on Intel's ability and willingness (not to mention that of their competitors) to maintain support for non Intel processing platforms.

This acquisition might just provide MontaVista the second wind it needs, enabling them to alter their go-to-market strategy and regain lost market share.

VDC explores these industry trends and other critical issues affecting this market in the recently released report, *Linux in the Embedded Systems Market*, Volume 2 from Track 1 of VDC's *2009 Embedded Software Market Intelligence Service*.

ABOUT VDC RESEARCH GROUP

VDC Research Group (VDC) is a technology market research and strategy consulting firm that advises clients in a number of technology markets including: Automatic Identification and Data Collection, Embedded Hardware and Systems, Embedded Software and Tools, Industrial Automation and Control, Mobile and Wireless, and Power Conversion and Control. Using rigorous primary research and analysis techniques, the firm helps its clients identify, plan for, and capitalize on current and emerging market opportunities. We strive to deliver exceptional value to our clients by leveraging the considerable technical, operational, educational and professional experience of our research and consulting staff. During our nearly four decades of ongoing operation, we have had the pleasure of serving most of the world's leading technology companies, many high-profile start-ups, and numerous blue-chip early and later stage investors. Our products and services consist of research reports, annual research programs, and custom research and consulting services. Founded in 1971, the firm is located in the Boston area. Please visit our Web site at www.vdcresearch.com to learn more.

For further information about VDC's Embedded Software Practice and the *2009 Embedded Software Market Intelligence Service*, contact:

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