

Developing Mode of a Linux Distributor

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Linux Server: The key

- **Eco system**
 - Certification and Support from Global Partners
 - Local ISV and SI
- **Problem**
 - A lot of Linux distributions
 - Compatibility
 - Cognize from customers and ISV/SI
- **Present trend**
 - Centralization and Selection
 - Collaboration and integration



Linux Server: The road

- Mix deployment and interoperability
- Composite solution
- Focus in industry market and extend the scope step by step
- Services exploiting



Linux Server: Success Story

- **China Post**
 - Mix deployment
 - Step by Step
- **e-Government**
- **Banking**
- **Internet coffee**
 - Migration and Service



Linux Desktop-Future direction

- **Current main market**
 - PC OEM
 - Government and Education
 - Vertical market: Hotel PC, Rural PC, banking terminal, etc.
- **Personal marketing still not mature**
- **Future efforts**
 - Technology and customer experiences
 - Eco system: IHV/ISV
 - Community for product development and applications
 - Customized and services
 - Reference site and scope extendibility



Red Flag: Our way

- **1999-08**, The launch of Red Flag Linux in CAS
- **2000-06**, Red Flag company was built up and started providing Linux products, solutions and services
- **2001-03**, CCID of MII invested Red Flag
- **2002-05**, IDC reported Red Flag Linux Desktop as No.1 shipment 1st in the world
- **2002-12**, Red Flag win series of projects, include e-government and China Post
- **2003-05**, Oracle and HP announced supporting and Certificating Red Flag Linux
- **2004-06**, Asianux1.0 announced
- **2005-01**, Red Flag announced profitable in 2004
- **2005-08**, Asianux2.0 announced
- **2006-01**, Maintain 90% Linux market share in government market
- **2006-08**, Red Flag won 4million OEM deals, includes Dell/HP
- **2006-08**, IBM announced support Asianux as 3rd Linux distro in worldwide



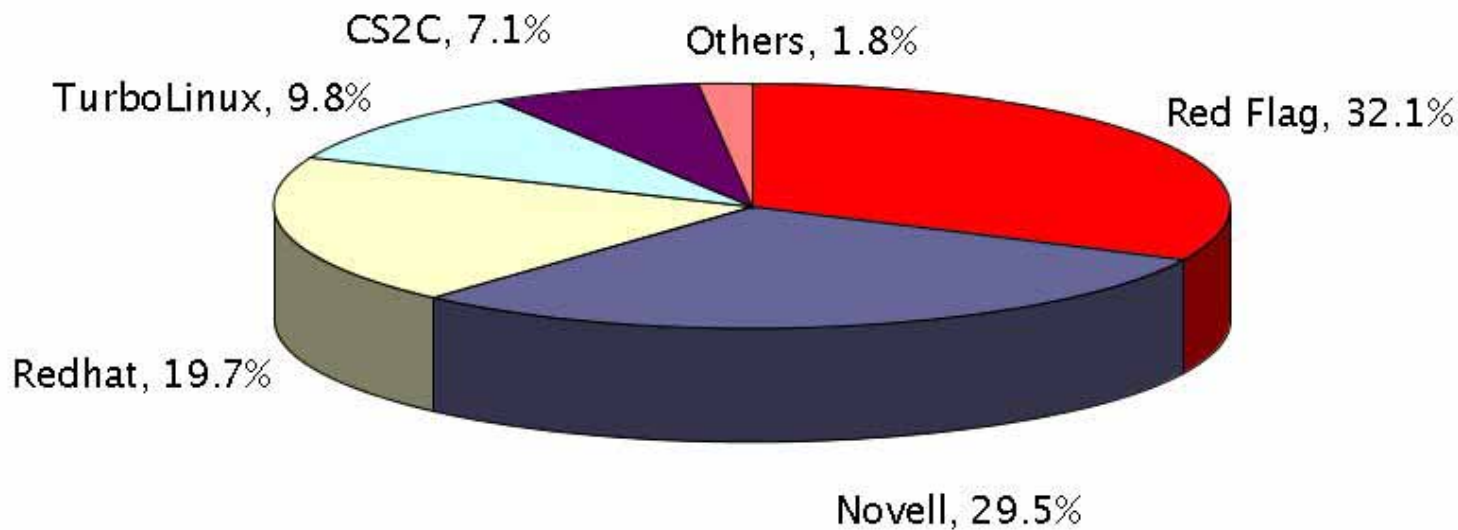
Red Flag: Our strategy

- To provide complete and customized technical services to customers by developing and selling Linux distro.
- Provide Red Flag Linux based enterprise solutions by building widely technical and business alliance
- Collaborate with Linux distributors to serve market trend



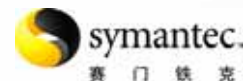
Red Flag : Today

- Red Flag lead Chinese Linux marketing with 32.1% share(CCW Research, March 2006)



Red Flag: Today

Worldwide partners certification



Summary-Linux distributor's way

- Collaboration
- Community building and technology innovation in Asia
- Cooperate with global Linux organization and community
- Distro joint development
- Product certification
- Extend Partnership for better eco system
- Strong capability to meet the needs of market
 - Full product line
 - Services coverage
 - Technical ability
- Market development for bigger market share
- Brand building
- Try for more supports from gov., partners and customers



Thanks !

