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Virtual Computer Secures \$15 Million in Series B Funding, Adds Strategic Investor Citrix Systems

PC Management Innovator Reaches \$21 Million in Total Capital Raised to Lead All Client Virtualization Startups

Westford, Mass. – January 26, 2009 — [Virtual Computer Inc.](#), the company redefining PC lifecycle management through virtualization, today announced it has secured \$15 million in series B funding. The round was co-led by series A investors [Highland Capital Partners](#) and [Flybridge Capital Partners](#) with additional investment coming from strategic investor [Citrix® Systems, Inc.](#) The latest round of financing positions Virtual Computer to significantly accelerate its global sales and marketing efforts and further advance development of the company's NxTop™ product offering.

“We’ve been watching Virtual Computer since their company launch in September 2008,” said Andy Cohen, senior director, strategic development at Citrix Systems. “We see great synergy between their use of Xen technology for PC lifecycle management and Project Independence, our recently-announced initiative to dramatically change the economics of desktop computing by enabling devices, desktops, applications and people to operate more independently through the power of client-side Xen virtualization. We look forward to working with Virtual Computer in a mutually beneficial capacity and see our investment as the first step in that direction.”

NxTop, Virtual Computer's next-generation PC management platform, makes it as easy to manage thousands of PCs as it is to manage one, dramatically reducing PC management costs while improving PC reliability and security. NxTop isolates the PC's critical components -- hardware, operating system, applications, and user data -- allowing each to be managed independently in a highly-scalable fashion without a persistent network connection.

“This is a blockbuster funding round for any company, especially in this economic environment,” said Dan McCall, president and CEO of Virtual Computer. “Not only did our current investors show their continued support for the company, but we were able to add a

proven leader in the virtualization market as a strategic investor. We are looking forward to working with Citrix to help make Xen a market standard for PC lifecycle management.”

According to the respondents of the third annual National Venture Capital Association (NVCA) Predictions Survey, 2009 will be met with a slowdown in investing across most sectors. However, most venture capitalists surveyed predict a recovery in 2010, when the IPO market is expected to re-open and those companies and venture firms that weathered the storm will emerge strongly.

“There is unprecedented pressure on corporate IT teams in 2009 to reduce costs and increase employee productivity,” said Peter Bell, general partner, Highland Capital Partners. “Our increased investment is a vote of confidence that Virtual Computer’s unique capability to deliver the cost saving benefits of desktop virtualization without the need for significant data center investments is a winner in any economic climate.”

“For investors, it is vital that a start-up is led by a seasoned and proven executive team, that their technology is innovative, and that the market is ready to embrace the technology,” said Jon Karlen, general partner, Flybridge Capital Partners. “Virtual Computer has proven itself in each of these areas, and we’re excited to help propel them into the next phase of their go-to-market efforts.”

About Virtual Computer, Inc.

Virtual Computer, Inc. is redefining PC lifecycle management by making it as easy to manage thousands of PCs as it is to manage one. NxTop™, the company’s flagship PC management product, combines a bare-metal client virtualization platform with a powerful central management system to dramatically reduce PC management costs, while improving reliability, security, and the end-user experience. NxTop uses advanced virtualization technology to isolate the main components of a PC: the hardware, operating system, applications, and user data, allowing each to be managed independently. Founded in 2007, Virtual Computer is privately held and headquartered in Westford, MA. For more information visit us at <http://www.virtualcomputer.com>

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