



NEWS RELEASE

Nutanix Sees 74 Percent AHV Hypervisor Adoption By U.S. Federal Government Customers in 2017

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Agencies Turning to Nutanix Enterprise Cloud Solutions to Upgrade Legacy IT

SAN JOSE, Calif.--(BUSINESS WIRE)-- **Nutanix** (NASDAQ:**NTNX**), a leader in enterprise cloud computing, today announced record adoption of its AHV hypervisor within the federal government vertical in calendar year 2017. 74 percent of all Nutanix Enterprise Cloud OS nodes sold to federal agencies in 2017 are leveraging AHV, compared to 30 percent adoption by the Nutanix worldwide customer base, based on a rolling four-quarter average.

In addition to growth in AHV adoption, Nutanix's federal business experienced several milestones during the last fiscal year, including:

- Adding nearly 100 new customers in 2017, including component organizations within the U.S. Departments of Defense, Commerce, Interior, Energy, Health and Human Services, the U.S. Federal Court system and federal systems integrators
- 20 new federal customers with total investments valued at more than \$1 million each, an 82 percent increase from the number of customers in previous fiscal year
- 320 unique federal customers at the end of 2017

“**Gartner** estimates U.S. federal cloud spending will more than double over the next four years... Although some agencies — Recovery Accountability and Transparency Board (RATB), Consumer Financial Protection Bureau (CFPB), GSA's 18F and Commerce's International Trade Administration (ITA) — were, are or will be cloud-only, that model will likely be atypical.” Instead, “most agencies will retain a hybrid model for the foreseeable future, choosing cloud-native services for some fraction of their portfolio and maintaining an on-premises component for those most sensitive and mission-critical applications.” (Gartner, Inc., Get Ready for the Inflection Point in U.S. Federal

Government Cloud Adoption, Rick Holgate and Neville Cannon, January 19, 2016, refreshed June 9, 2017). We believe this will allow agencies to stay true to federally mandated cloud-first strategies, prevent them from becoming locked-in to a single provider, and enable agencies to modernize systems without increasing cost, complexity or impacting performance.

“The demands on federal IT customers couldn’t be higher. They are facing increasing pressure to modernize systems and implement heightened security, all while reducing costs,” said Dheeraj Pandey, co-founder and CEO of Nutanix. “Nutanix’s momentum in the federal vertical demonstrates that customers are increasingly turning to Nutanix to meet these needs—pulling back from ‘one-size-fits-all’ public cloud strategies and placing a greater emphasis on hybrid ecosystems to modernize their legacy systems. We are eager to continue to partner with federal customers to achieve these goals.”

Government agencies are turning to hybrid ecosystems to lower total cost of ownership and match applications with appropriate cloud environments. Federal organizations that are modernizing and optimizing their infrastructure are finding strong value in Nutanix’s ability to help them reduce the number of separate IT silos. As Nutanix continues to introduce new technologies, like the recently acquired Botmetric, which provides visibility into cloud usage so organizations can better manage costs, federal agencies will continue to see value from adopting the Nutanix Enterprise Cloud OS.

By including AHV in the Nutanix Enterprise Cloud OS software stack, Nutanix helps government agencies reduce cost and complexity while enhancing the visibility and functionality of their infrastructure. Customers leveraging AHV can eliminate the need to purchase separate virtualization technology, significantly reducing costs and eliminating the need to manage multiple licenses. Federal customers continue to account for the largest portion of the Nutanix AHV user base.

Additional Resources

- For more information about Nutanix’s work in the federal sector, see [here](#)
- Connect with Nutanix via [Twitter](#), [LinkedIn](#) and [YouTube](#)

Forward-Looking Statements Disclaimer

This press release includes forward-looking statements including but not limited to statements concerning our plans and expectations relating to product features and technology that are under development or in process and capabilities of such product features and technology. These forward-looking statements are not historical facts, and instead are based on current expectations, estimates, opinions and beliefs. The accuracy of such forward-looking statements depends upon future events, and involves risks, uncertainties and other factors beyond our control that

may cause these statements to be inaccurate and cause actual results, performance or achievements to differ materially and adversely from those anticipated or implied by such statements, including, among others: failure to develop, or unexpected difficulties or delays in developing, new product features or technology on a timely or cost-effective basis; the introduction, or acceleration of adoption of, competing solutions, including public cloud infrastructure; a shift in industry or competitive dynamics or customer demand; and other risks detailed in our quarterly report on Form 10-Q for the fiscal quarter ended January 31, 2018, filed with the U.S. Securities and Exchange Commission. These forward-looking statements speak only as of the date of this press release and, except as required by law, we assume no obligation to update forward-looking statements to reflect actual results or subsequent events or circumstances.

About Nutanix

Nutanix is a global leader in cloud software and hyperconverged infrastructure solutions, making infrastructure invisible so that IT can focus on the applications and services that power their business. Companies around the world use Nutanix Enterprise Cloud OS software to bring one-click application management and mobility across public, private and distributed edge clouds so they can run any application at any scale with a dramatically lower total cost of ownership. The result is organizations that can rapidly deliver a high-performance IT environment on demand, giving application owners a true cloud-like experience. Learn more at www.nutanix.com or follow us on Twitter [@nutanix](https://twitter.com/nutanix).

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