

FOR IMMEDIATE RELEASE

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Citrix Extends End-to-End Application Delivery Strategy with Entry into Fast-Growing WAN Optimization Market

Acquisition of Orbital Data Creates New Citrix WANScaler Product Line

Move Expands Citrix's Growing Leadership in Application Delivery Market Giving Customers the Best Way to Deliver Any Application to Any User in Any Location

FORT LAUDERDALE, Fla. — August 7, 2006 — Citrix Systems, Inc. (Nasdaq: CTXS) today announced a significant expansion of its end-to-end application delivery strategy, making it faster, simpler, and more cost-effective to deliver applications to users in branch offices and other remote locations. As a cornerstone of this strategy, Citrix announced that it has signed a definitive agreement to acquire privately held Orbital Data Corp., a leading provider of solutions that optimize the delivery of applications over wide area networks(WANs). As an emerging leader in the fast-growing WAN optimization market, Orbital Data® gives Citrix best-in-class technology as well as a strategic presence at the entry point to branch offices worldwide. The all-cash consideration payable to the shareholders of Orbital Data Corp. is approximately \$50 million, and the acquisition is expected to close in the third quarter of 2006. The company also assumed approximately 0.3 million unvested stock-based instruments each of which upon vesting will be exercisable for the right to receive one share of the company's common stock.

Strategic Importance of the Branch Office

An estimated 55 percent of enterprise employees today access all of their mission-critical business applications from a remote office or branch location, often hundreds or even thousands of miles away from the corporate data center. As these applications are used by remote employees, application data must travel back-and-forth many times over long-distance WANs, a process which can significantly degrade performance and the user experience, and force expensive bandwidth upgrades in an attempt to solve these challenges. This growing problem has given rise in recent years to a new category of products that optimize the flow of all applications over the WAN, including client-server, web, file sharing, bulk data transfer and even new application types such as

voice-over-IP and video. According to IDC Research, the market for WAN optimization products was \$314 million last year and is expected to nearly double over the next three years, reaching \$610 million by 2009.¹

Acquisition of Orbital Data

Founded in 2002, Orbital Data has over 75 enterprise customers and over 60 employees. Citrix selected the San Mateo, Calif.-based company because it offers the best WAN optimization technology in five areas critical to Citrix's end-to-end application delivery strategy.

1) Best Ease-of-Use. Unlike alternative products that can be difficult to deploy and manage, Orbital Data offers several unique capabilities that make it virtually "plug-and-play," a critical advantage for under-staffed IT departments in remote branch office locations. Its AutoOptimizer™ technology automatically applies the best combination of performance-boosting techniques for each data flow to match the application, the data and the network conditions without requiring configuration or management changes. Orbital Data is also the only solution on the market to feature true "network and application transparency," meaning that network monitoring tools, firewalls, routers and applications need no modification when the Orbital solution is deployed. Just plug it in, and it works. This advantage will help drive faster adoption throughout the existing Citrix installed base and will make the Orbital solution an ideal fit for the extensive Citrix channel.

2) Best Solution for Small Branches and Mobile Users. Orbital Data was the first company in the industry to deliver a compact, software-based version of its branch appliance technology that can be deployed directly on a remote user's PC. In contrast, most alternative solutions are delivered only as appliances, limiting their value to employees who are physically located in a large branch office. Solutions that do offer software clients are limited to accelerating only a narrow class of applications. Orbital Data's software client addresses both of these limitations, accelerating all TCP-based applications to all remote users, including employees in small "micro branches," home offices or on the road. This client capability also provides an ideal strategic fit with Citrix's end-to-end strategy, extending application delivery from the datacenter to the desktop.

3) Best Acceleration over Long Distances. The Orbital Data solution excels in some of the most problematic branch office application delivery scenarios, most notably file sharing and bulk data transfer applications that deliver large files over long distances. With the growing importance of business requirements such as disaster recovery, outsourcing, digital asset management and collaborative engineering, these advantages can be significant to many large enterprises.

4) Best Acceleration of Citrix Presentation Server. Orbital Data also offers the best solution to further accelerate applications delivered by other Citrix products, most notably, Citrix Presentation Server™. In internal tests, Orbital Data has been shown to improve the performance of Presentation Server by as much as five times for end users, especially for remote printing and local file save tasks

¹ IDC, "Worldwide WAN Optimization Management 2005-2009 Forecast and Analysis," May 2005, #33371

that necessitate the transfer of large volumes of data over the WAN. This capability gives Citrix an ideal opportunity to leverage its installed base of more than 160,000 Citrix Presentation Server customers and presence in enterprise WANs across the globe.

5) Highly Extensible Architecture. Orbital Data also offers a highly-extensible architecture, making it easier for Citrix to add innovative new capabilities, including tighter integration with other elements of the Citrix end-to-end application delivery infrastructure.

Introducing Citrix WANScaler

Upon close of this acquisition, Citrix plans to reintroduce the Orbital Data product line under the Citrix WANScaler brand. The new Citrix WANScaler team will become part of the company's Application Networking Group headquartered in San Jose, California, which is responsible for appliance-based solutions such as Citrix® NetScaler®, Citrix Access Gateway™ and Citrix Application Firewall.

Citrix WANScaler will be sold through two distinct go-to-market initiatives. Networking buyers, who drive many WAN optimization decisions today, will be addressed through Citrix partners authorized in application networking, and a dedicated WANScaler sales specialist team, much like the company's NetScaler solutions are sold today. In addition, Citrix plans to offer specialized, easy-to-deploy versions of the product, including a Citrix WANScaler for Presentation Server offering, which will have broad applicability to the larger Citrix installed base and worldwide field and channel organization.

The Citrix WANScaler product line will offer three distinct advantages to Citrix customers as part of the company's end-to-end application delivery strategy (for more information on Citrix WANScaler, see http://www.citrix.com/site/resources/dynamic/news/Citrix_WANScaler.pps):

- a) Citrix WANScaler will further accelerate client/server and web applications delivered by Citrix Presentation Server and Citrix NetScaler to branch offices, making them run up to five times faster.
- b) Citrix WANScaler will accelerate applications that are most problematic for branch office workers by up to 50 times, most notably file sharing apps and bulk data transfer applications.
- c) Citrix WANScaler will give branch users additional application delivery benefits, such as improved quality of service, for new application types like voice and video.

“Citrix continues to research, develop and acquire leading technologies that give the company a unique position in the market, solving the complete end-to-end application delivery challenge for companies of all sizes,” said BV Jagadeesh, vice president and general manager for application networking at Citrix. “With more than half of all employees worldwide accessing their applications through branch offices, and even more connecting from home or on the road, the Orbital Data solution and team will significantly enhance the Citrix value proposition for this

important market. Just as importantly, they will improve our ability to be a trusted partner for customers looking for the best way to deliver any application to any user in any location.”

“The enterprise-wide breadth of our application delivery technology will now be further enhanced through this combination of forces with Citrix,” said Dick Pierce, CEO, Orbital Data. “The additional benefits of an even more powerful enterprise scale solution will soon become evident as we continue our voyage under a new flag.”

Terms of the Deal

Under terms of the definitive agreement, Citrix will acquire Orbital Data for approximately \$50 million. The company also assumed approximately 0.3 million unvested stock-based instruments each of which upon vesting will be exercisable for the right to receive one share of the company’s common stock. Assuming the transaction closes as expected, the acquisition is expected to add approximately \$2 million in revenue to the second half of 2006 and is expected to be \$0.04 dilutive to Citrix’s earnings per share on a GAAP basis and \$0.03 dilutive to Citrix’s earnings per share on an adjusted basis, excluding the effects of amortization of intangible assets and stock-based compensation expense.

For 2007, the transaction is expected to add \$10 to \$12 million in revenue and is expected to be \$0.06 to \$0.07 dilutive to Citrix’s earnings per share on a GAAP basis and \$0.04 to \$0.05 dilutive to Citrix’s earnings per share on an adjusted basis, excluding the effects of amortization of intangible assets and stock-based compensation expense.

Orbital Data was advised by Evercore Partners in this transaction.

Conference Call Information

Citrix will host a conference call today at 8:00 a.m. Eastern Time to discuss the terms of the transaction and the company’s strategy regarding the acquisition. The call will be webcast at <http://www.citrix.com/investors>.

The conference call may also be accessed by dialing: (888) 799-0519 or (706) 634-0155, using passcode: CITRIX. A replay of the webcast can be viewed by visiting the Investor Relations section of the Citrix corporate website at <http://www.citrix.com/investors> for approximately 30 days. In addition, an audio replay of the conference call will be available through August 11, 2006, by dialing (800) 642-1687 or (706) 645-9291 (passcode required: 4067591).

About Citrix

Citrix Systems, Inc. (Nasdaq:CTXS) is the global leader and most trusted name in on-demand access. More than 180,000 organizations around the world rely on Citrix to provide the best possible access experience to any application for any user. Citrix customers include 100% of the *Fortune* 100 companies and 98% of the *Fortune* Global 500, as well as hundreds of thousands of small businesses and individuals. Citrix has approximately 6,200 channel and alliance partners in

more than 100 countries. Citrix annual revenues in 2005 were \$909 million. Learn more at www.citrix.com.

For Citrix Investors

This release contains forward-looking statements which are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The forward-looking statements in this release do not constitute guarantees of future performance. Investors are cautioned that statements in this press release, which are not strictly historical statements, including, without limitation, statements by the company's vice president and general manager for application networking and by the CEO of Orbital Data; statements concerning the proposed acquisition; statements concerning the terms and timing of the acquisition; statements concerning revenue and earnings per share; statements concerning the WAN optimization and branch office markets, marketing plans, customers, the Citrix installed base, products and technology; statements concerning expectations as to demand for growth of the products; statements concerning expectations as to market growth; and statements concerning management's plans, objectives, strategies and assessments of market factors, constitute forward-looking statements. Such forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated by the forward-looking statements, including, without limitation, the possibility that the proposed acquisition will not close; that the closing may be delayed or that the companies may be required to modify aspects of the acquisition to close the acquisition; the satisfaction of closing conditions to the acquisition; the reaction of customers of Citrix and Orbital Data to the acquisition; Citrix's timing and ability to successfully integrate Orbital Data's products, operations (including migration of Orbital Data to Citrix's systems and controls) and employees; the introduction of new products by competitors or the entry of new competitors into the markets for Citrix's and Orbital Data's products; the failure by Citrix to retain key employees of Orbital Data; failure to further develop and successfully market Orbital Data's technology and products; failure to achieve anticipated revenues; and costs related to the acquisition. More information about potential factors that could affect Citrix's business and financial results is included in Citrix's Annual Report on Form 10-K for the fiscal year ended December 31, 2005 and Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2006, including (without limitation) under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," and in the company's other filings with the Securities and Exchange Commission, which are available at the Security and Exchange Commission's website at <http://www.sec.gov>. Citrix assumes no obligation to update any forward-looking information contained in this press release or with respect to the announcements described herein.

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Citrix®, NetScaler®, Citrix Presentation Server™ and Citrix Access Gateway™ are trademarks of Citrix Systems, Inc. and/or one or more of its subsidiaries, and may be registered in the U.S. Patent and Trademark Office and in other countries. Orbital®, Orbital Data® and AutoOptimizer™ are registered trademarks and trademarks of Orbital Data Corp. All other trademarks and registered trademarks are property of their respective owners.

**Use of Non-GAAP Financial Measures and Reconciliation of Non-GAAP Financial Measures
to Comparable U.S. GAAP Measures
(Unaudited)**

This press release contains non-GAAP financial measures as defined by SEC Regulation G. We utilize certain non-GAAP financial measures to evaluate our performance and for internal planning and forecasting purposes. We consider these measures important indicators of our success. In addition, we provide these non-GAAP measures of the company's performance to investors to enable them to better compare our results of operations against financial models prepared by the company's investors and securities analysts and to provide additional information concerning the impact of business acquisitions on Citrix's results of operations. These non-GAAP financial measures should not be construed as superior to GAAP financial measures, nor should these measures be considered an alternative to measurements required by accounting principles generally accepted in the United States, such as net income and earnings per share, and should not be considered measures of our liquidity. In addition, our non-GAAP financial measures may not be comparable to similar measures reported by other companies. The GAAP financial measure most directly comparable to each non-GAAP financial measure used or discussed in this press release and a reconciliation of the differences between each non-GAAP financial measure and the comparable GAAP financial measure can be found on the Investor Relations page of the Citrix corporate web site at <http://www.citrix.com/investors>.

The following table reconciles the non-GAAP financial measure used in this release to the most comparable U.S. GAAP measure for the respective periods:

**Anticipated Earnings Per Share Dilution for the
Six Months Ended December 31, 2006**

	Dilution to Earnings Per Share Range – <u>Diluted</u>
U.S. GAAP measure	\$0.04
Adjustments to exclude the effects of amortization of intangible assets acquired and stock-based compensation expense, net of tax	<u>\$0.01</u>
Adjusted figures	<u>\$0.03</u>

**Anticipated Earnings Per Share Dilution for the
Year Ended December 31, 2007**

	Dilution to Earnings Per Share Range – <u>Diluted</u>
U.S. GAAP measure	\$0.06 to \$0.07
Adjustments to exclude the effects of amortization of intangible assets acquired and stock-based compensation expense, net of tax	<u>\$0.02</u>
Adjusted figures	<u>\$0.04 to \$0.05</u>

