

VMware Profits Down, Revenues Up

Written by Marco Attard
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VMware records a -11.7% Y-o-Y drop in profits reaching \$156.8 million in Q3 2012 while revenues grow by 20.4% Y-o-Y to \$1.13 billion as European economic conditions remain fairly weak.



License sales revenues total \$491m with 11% Y-o-Y growth. Services revenues grow by 29% Y-o-Y to \$643m.

Two big purchases mark Q3 2012 for VMware-- software-defined networking (SDN) startup Nicira (worth \$1.12bn) and DynamicOps.

"The excitement around Nicira validates our approach to the software-defined data center," CEO Carl Eschenbach remarks. Nicira SDN technology sees a first VMware implementation in the vCloud suite.

The company forecasts Q4 2012 revenues will total \$1.26 - 1.29bn with 19-22% Y-o-Y growth, including a 14-18% rise in license revenues to around \$587 - 605m.

The Q3 2012 results release also sees the appointment of a new VMware CFO-- ex-Microsoft corporate VP and Skype CFO Jonathan Chadwick, who takes over bean counting duties from November 5 2012.

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