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Citrix Jumps to Highest in a Decade on Upgrades (Update2)  
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(Updates with closing prices in fifth paragraph.)

By Kelly Bit

July 29 (Bloomberg) -- Citrix Systems Inc., which makes software used to control computers remotely, rallied to the highest level since 2000 after more demand for its XenDesktop virtualization program prompted at least five analysts to raise their ratings.

Citrix posted second-quarter revenue of \$458 million, beating the \$436 million average estimate of 26 analysts in a Bloomberg survey. Sales from XenDesktop grew to \$60 million and bookings increased to \$90 million, according to Deutsche Bank analyst Todd Raker.

Virtualization software such as XenDesktop lets companies combine the work of several server computers onto a single machine, saving on hardware and power costs. Individuals use it to run Microsoft Corp.'s Windows on Apple Inc.'s computers.

About 15 percent of the world's desktop PCs will migrate to virtual desktops by 2014, according to researcher Gartner Inc., Raker added.

"XenDesktop bookings at \$90 million were clearly very strong," said Gregg Moskowitz, an analyst at New York-based Cowen & Co. who upgraded Citrix to "neutral." "That gives us more confidence through at least the end of the year. Investors are willing to pay an increasing premium for that kind of growth and that thematic play, virtualization."

Citrix shares surged the most in the Standard & Poor's 500 Index, jumping 20 percent to \$56.67 at 4 p.m. New York time. They have advanced 36 percent in 2010, compared with the 1.2 percent loss for the S&P 500.

The stock was raised to "buy" from "hold" at Deutsche Bank, to "outperform" from "neutral" at Robert Baird & Co., to "outperform" from "market perform" at Raymond James & Associates Inc., to "hold" from "sell" at Citigroup Inc. and to "neutral" from "underperform" at Cowen.

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