

## **Canalys again records record revenue**

### **– Expects acceleration during 2004**

**Reading, UK – Tuesday, May 4<sup>th</sup> 2004**  
**For immediate release**

Canalys today announced revenue for 2003 of around €1.5 million, representing a 25% increase over the preceding year and keeping the company on track to becoming one of the top European-based high-tech analyst firms in revenue terms. Canalys improved its bottom line too and is proud of its track record that has delivered profitability in every quarter of trading for more than five years. Its headcount has continued to grow rapidly across sales, analyst and consulting functions, while during the same period its US-based global competitors have been announcing layoffs.

Canalys sustained strong performance throughout 2003, but saw a notable improvement from September onwards. Steve Brazier, president & CEO, said, “We are obviously well placed to observe industry trends. When our research indicated an up-tick in high-tech industry demand we gave our clients the recommendation that it was time to become aggressive and invest. These investments, however, must be in new industry growth areas rather than the more mature sectors that dominated the last boom. We have acted on our own advice, recruiting staff, expanding research coverage in areas such as enterprise security and wireless devices, enhancing our consulting capabilities and launching new services focused on convergence topics. With these investments already in place, we expect 2004 to deliver even faster growth for Canalys.”

Canalys generated 67% of its revenues from continuous services, 22% from custom consulting and the remaining 11% from presentations and reports. Alan Cardy, director of business development, commented, “We are delighted to have achieved our strategic goal of growing continuous services ahead of the other business units. This provides us with the predictable revenue that allows us to invest for the longer term. Our services success in 2003 was due both to an unprecedented client renewal rate above 95% and the launch of our industry trendsetting Converged Telephony Analysis service.”

Mike Welch, vice president, continued, “Our success is driven by the quality of people we are able to bring on board. As our brand becomes ever more established we are delighted with the calibre of people we are attracting. Our goal is to maximise the efficiency of the team by maintaining a world class IT infrastructure, for example, deploying mobile, broadband and wireless technologies throughout the business. Even though our clients come from the world’s leading technology companies, it is very common for them to remark on our advanced setup. This year will also see us implement a major new company-wide CRM solution.”

Members of the press may quote from this release provided Canalys is clearly shown as the source

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Sandy Fitzpatrick, director and senior analyst, concluded by noting, “We have built a unique culture at Canalys where analysts are motivated and rewarded – they work hard, but benefit from great career prospects and a relaxed atmosphere. The management team is aware that our people are the key to success as we continue on our rapid expansion, so we make sure there is always a fun element of being an analyst at Canalys. This culture is another example of how we stand out from the competition.”

Note to editors: all financial results are given for guidance only. Canalys.com ltd’s. financial year ends December 31st.

### **About Canalys**

Canalys specialises in providing high-quality market data, analysis and advice to the world’s leading technology companies. It is recognised as a key provider of continuous advisory services and confidential custom projects for marketing managers and strategists within blue-chip IT, telecoms and consumer electronics companies. It has unrivalled expertise in European routes to market for all kinds of high technology products and services in the consumer, SMB and large enterprise segments, and provides worldwide market data and trends analysis.

### **Receiving updates**

To receive releases directly, please complete the form on our web site. This release is available from <http://www.canalys.com/pr> along with low- and high-resolution photos of the analyst(s) quoted.

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