

Canalys expansion accelerates, adds four new services

– Stellar growth rate set to continue as product range and resources expand

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For immediate release

Canalys announced today that it is beginning 2004 with a major expansion of its service portfolio, following a successful recruitment campaign over the previous months. The demand for Canalys services has increased dramatically since the beginning of Q4 2003, as the high-tech industry moved to take advantage of the new phase of growth. The value clients derive from these services is revealed in the remarkable statistic that Canalys renewed over 95% of all its annual contracts during 2003. These same clients have been calling for Canalys to increase its coverage, and its new launches are designed to address those needs. Effective immediately, Canalys is announcing its Enterprise Security Analysis programme, as well as three new quarterly modules to complement its market-leading suite of mobile information offerings: Worldwide Mobile Devices, Wireless Handsets and EMEA PC Tracking.

Enterprise Security Analysis

In 2004 the single biggest factor behind corporate directors releasing budgets, as well as losing their jobs, will be security. CIOs must protect data, networks and users against a growing list of threats. Badly designed e-mail systems will lead to lost productivity as they become overloaded with spam. Viruses and worms are proliferating and soon exploit any operating system weaknesses, whether on a router, server or client device. Hacking is moving beyond the bedroom into organised crime. Surveillance will become an IT function, as traffic moves to the IP networks overseen by centralised control centres. WiFi growth will force stricter usage policies, while biometrics may dictate who will be allowed to undertake international travel. Meanwhile more workers will be accessing corporate data remotely. A diverse collection of connectivity options, including broadband, WiFi and GPRS networks, will drive IPSec and SSL VPN deployments in businesses large and small.

“IT departments must become proactive in their approach to security, and success will depend on their ability to predict the next threat rather than just reacting cautiously to change,” said senior analyst Andy Buss.

“They must invest in hardware and software, but recognise that this expenditure will be wasted without management policies. All networks could be made safe, were it not for the users.”

Enterprise Security Analysis is designed to help network, server and software vendors monitor their performance, study their competition, and build business plans for their future strategy. Canalys will take the

lead within Europe in providing an integrated approach to this complex market, delivering insightful analysis and timely, quarterly market information.

Worldwide Mobile Devices

Canalys will take its highly regarded mobile device research worldwide during 2004. Chris Jones, director and senior analyst commented, "We have been delighted by the response to our EMEA research within the industry. Many leading participants, including some of the most respected technology brands, have told us that our work is the industry standard. They have asked us to take our approach worldwide and that is exactly what we shall be doing. Europe's leadership in mobile devices makes it natural for a European-headquartered analyst firm to lead this sector globally."

Canalys began worldwide research activities in 2003 with its hit Converged Telephony Analysis programme. This success has given it the framework and experience to expand its research in the mobile device sector. The worldwide service will use the established Canalys device segmentation and popular delivery formats.

Wireless Handsets

The camera phone became a huge sensation in Europe last year, meeting almost instant success despite limitations in terms of resolution, storage, displays, battery life and MMS pricing. The camera phone has revitalised the fortunes of Sony Ericsson and led to Nokia's emergence as the world's largest vendor of digital cameras. It gave fresh hope to an industry disappointed with the initial response to 3G, which has struggled to find differentiators, maintain price points, force customers to switch networks, or provide nationwide coverage. In 2004 the move to 3G will accelerate with activity from the major operators. Can 3G handsets follow where camera phones have led?

While nobody will dispute that mobile phones will continue to evolve, it is not certain that 3G operators will have exclusive access to this opportunity. WiFi phones are already available, as is the software that provides PCs and handhelds with competing functionality. Soon the dual-band GSM/WiFi phone will ship and though today, with shared bandwidth and a lack of quality of service, WiFi delivers a far from perfect phone network, the technology is improving fast and the computer industry has woken up to the possibility it may be able to take some of the operators' revenues.

Wireless Handsets will provide quarterly tracking of this converging market along with the forecasts that will help clients make critical, and possibly industry changing, investments.

EMEA PC Tracking

Since the company was founded, Canalys analysts have been at the forefront of the European PC industry, intricately involved in shaping many of the key events. Until, now, however, it has not offered an official

service that tracks the PC market. Canalys is delighted to announce the immediate availability of its EMEA quarterly PC tracking service. From Q1 2004 Canalys will publish authoritative, independent market size and share information for both commercial and consumer desktops, notebooks and industry-standard servers for the top ten vendors in EMEA, within five weeks of quarter close. Clients will also gain access to the Canalys Critique, the most respected teleconference in the industry. Canalys CEO Steve Brazier, who invented the quarterly PC market teleconference concept, commented, "With this announcement we have rounded out our portfolio to make it the most comprehensive and highest quality personal system tracking programme available anywhere in the industry. Since Canalys was founded nearly five and half years ago we have always pushed into emerging technology sectors. As we have shown today this is continuing, yet the PC industry remains enormous and core to many of the developments in other technology areas. So we have revisited our PC research roots and decided that now is the time to reaffirm our PC market tracking credentials."

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.

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