

## High growth in EMEA enterprise networking and security markets

### – Routing becomes more competitive; switching rises

Reading, UK – Monday, 23 January 2006

For immediate release

- Cisco retains lead in EMEA enterprise router, switch and security markets, but others gain ground
- 127% growth sees Juniper Networks increase its router market share
- ProCurve Networking from HP grew 51.8% to take 6.8% of the switch market

### EMEA Q3 2005 – highlights from the Canalys enterprise infrastructure research

#### Juniper makes headway in more competitive router market

The enterprise router market in EMEA (Europe, Middle East and Africa) grew by 76.3% in Q3 2005 compared to the same quarter one year earlier, according to the latest Canalys estimates, as continued service provider investment helped drive total spending up to €684 million.

<b>EMEA enterprise router market</b>					
<b>Market shares Q3 2005, Q3 2004</b>					
<b>Vendor</b>	<b>Q3 2005 shipment value (€m)</b>	<b>% share</b>	<b>Q3 2004 shipment value (€m)</b>	<b>% share</b>	<b>Growth Q3'05/Q3'04</b>
<b>Total</b>	<b>684.1</b>	<b>100.0%</b>	<b>388.1</b>	<b>100.0%</b>	<b>76.3%</b>
<b>Cisco</b>	500.2	73.1%	323.0	83.2%	54.9%
<b>Juniper Networks</b>	121.4	17.7%	53.5	13.8%	127.1%
<b>3Com</b>	11.1	1.6%	0.8	0.2%	1237.0%
<b>Nortel</b>	5.5	0.8%	2.2	0.6%	143.1%
<b>Enterasys</b>	3.5	0.5%	3.4	0.9%	3.4%
<b>Others</b>	42.4	6.2%	5.2	1.3%	718.4%

**Source: Canalys estimates, © canalys.com Ltd. 2004-2005**  
Includes all hardware positioned as an enterprise network router product

Cisco, growing at 54.9%, maintained its clear leadership position with a share of 73.1%, but this was down from 83.2% in the equivalent quarter of 2004. Juniper Networks continued along a path of sustained growth, posting an increase of 127.1% to raise its market share to 17.7%. Third position was taken by 3Com.

“3Com is starting to reap the benefits of the Huawei-3Com joint venture, in which it recently opted to acquire a majority stake. Mid-range and high-end routers sourced from this venture are contributing a large amount to the growth of 3Com in the router space,” said senior analyst Andy Buss.

### HP ProCurve benefits from move to intelligent Layer 3 switching

Shipments of enterprise switch products in EMEA in Q3 2005 increased 38.6% over the equivalent period in 2004 to reach €1.25 billion. Leader Cisco posted solid growth at 23.8%, but this was below the market average and so resulted in a fall in market share to 60.3%. ProCurve Networking by HP grew 51.8%, helping it consolidate its position as the number two vendor. Much of this growth was around the more advanced Layer 3+ products.

<b>EMEA enterprise switch market</b>					
<b>Market shares Q3 2005, Q3 2004</b>					
<b>Vendor</b>	<b>Q3 2005 shipment value (€m)</b>	<b>% share</b>	<b>Q3 2004 shipment value (€m)</b>	<b>% share</b>	<b>Growth Q3'05/Q3'04</b>
<b>Total</b>	<b>1,253.5</b>	<b>100.0%</b>	<b>904.5</b>	<b>100.0%</b>	<b>38.6%</b>
<b>Cisco</b>	756.3	60.3%	610.8	67.5%	23.8%
<b>HP</b>	85.1	6.8%	56.1	6.2%	51.8%
<b>Nortel</b>	54.6	4.4%	15.1	1.7%	261.9%
<b>3Com</b>	43.1	3.4%	48.4	5.3%	-10.8%
<b>Extreme Networks</b>	25.9	2.1%	19.5	2.2%	32.8%
<b>Others</b>	288.5	23.0%	154.7	17.1%	86.5%

**Source: Canalys estimates, © canalys.com Ltd. 2004-2005**  
Includes all hardware positioned as an enterprise network switch product

“HP ProCurve had an outstanding quarter in EMEA,” Buss added. “With recent product introductions, such as the high-end 8100fl Interconnect Fabric switch, it has developed the portfolio required to present a challenge as an end-to-end enterprise switch vendor.”

### Cisco benefits from new range of security appliances

The EMEA market for enterprise security products increased 22.6% year on year. Cisco retained the number one position, having 18.8% share by value, up 14.3% on the year-ago quarter.

“Cisco has benefited from strong demand for the recently introduced Adaptive Security Appliance range,” said analyst Rachel Power. “Now that this has been available for some time and resellers have a greater understanding of its capabilities and positioning, it has generated significant business for Cisco without cutting into revenue from other product lines, such as the PIX firewall range.”

Second placed Symantec maintained momentum in what is typically a difficult period in post-merger companies. “Symantec recently closed the acquisition of Veritas, but has kept an eye on execution despite the added burden of integrating the two companies,” noted Power. Nokia also showed solid performance to maintain third place with growth of 15.8%.

<b>EMEA total enterprise security market</b>					
<b>Market shares Q3 2005, Q3 2004</b>					
<b>Vendor</b>	<b>Q3 2005 shipment value (€m)</b>	<b>% share</b>	<b>Q3 2004 shipment value (€m)</b>	<b>% share</b>	<b>Growth Q3'05/Q3'04</b>
<b>Total</b>	<b>520.1</b>	<b>100.0%</b>	<b>424.2</b>	<b>100.0%</b>	<b>22.6%</b>
<b>Cisco</b>	97.9	18.8%	85.6	20.2%	14.3%
<b>Symantec</b>	75.8	14.6%	68.6	16.2%	10.4%
<b>Nokia</b>	40.3	7.8%	34.8	8.2%	15.8%
<b>McAfee</b>	37.2	7.2%	15.2	3.6%	145.7%
<b>Trend Micro</b>	35.4	6.8%	34.1	8.0%	4.1%
<b>Others</b>	233.4	44.9%	185.9	43.8%	25.6%

**Source: Canalys estimates, © canalys.com ltd. 2004-2005**  
Includes all hardware and software positioned as an enterprise data or network security product

### About Enterprise Networking and Enterprise Security Analysis

Canalys tracks the market for enterprise networking and security products in its Enterprise Networking and Enterprise Security Analysis services respectively. These leading-edge programmes are designed specifically for enterprise networking and security vendors. Canalys provides a unique, comprehensive view of the EMEA markets, with detailed segmentation by product type, functionality, routes to market and end-user type. In addition to quarterly market share estimates, clients receive forecasts, quarterly trends presentations and regular reports focusing on the issues that affect end-user adoption and vendor performance, including channel strategies, product trends and market attitudes. Clients receive direct access to Canalys analysts by telephone, e-mail and face-to-face. More information is available from the Canalys web site.

### About Canalys

Canalys specialises in delivering high quality market data, analysis and advice to the world's leading technology vendors. 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, and provides worldwide market data and trends analysis.

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