

Canalys sees a strong start to 2009 as industry spending recovers **– Following on from a difficult fourth quarter in 2008**

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For immediate release

Canalys today announced its final results for its 2008 fiscal year. Canalys recorded 2008 revenue of approximately €4.7 million alongside a modest global net profit. Despite a disappointing end to 2008, the early signs for 2009 are positive. Canalys has already hosted a successful Channels Forum and continues to win new global customers for its industry leading smart phone research. Candefero, its channel community, has grown significantly as the range of content continues to expand.

Steve Brazier, Canalys President and CEO, said, ‘After a stellar 2007 performance we outlined our plans for a more modest performance in 2008. The first three quarters of the year performed approximately in line with those expectations, before we witnessed a sudden drop in business during December. It was then that the technology industry moved simultaneously into a period of panic and applied a spending freeze. The only time that I have ever experienced similar behaviour was back in the dark days of the third quarter of 2001.’

He continued, ‘The good news is that much of the business we missed toward the end of 2008 was delayed only until the first quarter of 2009. The business environment in Q1 2009 has been much more predictable. Budgets may have been set conservatively, but these smaller amounts are being spent and we believe that we are gaining share against our competitors. We expect our performance for the first half of 2009 to come in ahead of expectations.’

Canalys has taken appropriate steps to manage itself through the global recession. Most notably it has cut back significantly on the number of events that it is running this year, as expenditure on sponsorships and delegate revenue were both quickly impacted by the economic slowdown. It has also taken the opportunity to realign its continuous service portfolio, so increasing its focus on core areas with growth potential, including unified communications, security, netbooks and smart phones. It is also making further investments in its core channel analysis activities, especially relating to Candefero.

In 2008 Canalys generated 72% of its revenue from continuous services, 4% from presentations and reports and the remaining 24% from custom consulting and events. Alan Cardy, Vice President Business Development, said, ‘Our globalisation strategy is working perfectly, witnessed by the fact that for the first time ever in Q1 more than 50% of our sales were made outside EMEA. We will be expanding our workforce in both the Americas and APAC during 2009, and are increasing investment in certain strategically important

initiatives that will create tremendous potential for growth as we come out of the recession. We continue to be one of the most innovative analyst firms around, and our client renewal rate is testament to the value of the information we provide. We expect to be one of the analyst firms to emerge strongest from the current climate.'

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, navigation and consumer electronics companies. It has unrivalled expertise in 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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More information

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