

For immediate release

Canalys expects strong revenue growth in 2010

Company ends 2009 fiscal year on target, thanks to strong fourth quarter

PALO ALTO, SINGAPORE and READING (UK), 4 May 2010 - Canalys today announced its final results for its 2009 fiscal year. The company recorded 2009 revenue of €4.0 million, a decrease of 15% over the previous year. Canalys' decision not to hold major events during the recession, a move that allowed the company to maintain its profitability levels throughout the year, led to the revenue decline. On a positive note, activity greatly increased in the fourth quarter, allowing Canalys to recover shortfalls from earlier in the year and finish 2009 on target. Following the strong quarter, Canalys expects 2010 revenue to be above that achieved in both 2008 and 2009.

Canalys President and CEO Steve Brazier said, 'The recession created a tough climate with many technology companies imposing an almost total freeze on expenditure. We made an early decision to cut back on our events business, as many of our customers simply could not travel in 2009 and sponsorship was out of the question.'

'We are pleased to say that our core business of continuous information services fared much better and that our worldwide leadership position in some high-growth technology segments, notably smart phones and netbooks, gave us fast growth opportunities. Though some clients decided that they could do without market insight for a short period during the recession, we were delighted that they quickly rediscovered our value when they returned to making new plans,' he continued.

After a period of restraint, Canalys is investing for growth in 2010. It expects to increase headcount in all three regions by some 10% overall, while continuing to develop a world-class IT infrastructure to ensure that its analysts have the best collaboration tools around the world. The company is aggressively returning to the events business as well, hosting the Canalys Channels Forum in October, EMEA's largest independent channel event. A mid-year launch of a portfolio of continuous services across its enterprise and mobile divisions is also planned. Furthermore, the innovative Candefero online channel community is advancing, with new widgets launched monthly. Candefero is on target to reach over 2,000 active users by June, providing Canalys with unparalleled insight into channel trends.

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© Canalys 2010 - page 1 of 2

In 2009, Canalys generated 76% of its revenue from continuous services, 4% from presentations and reports, and the remaining 20% from custom consulting and events. Managing Director of Canalys APAC, Rachel Lashford, said, 'Despite the economic chaos that followed the collapse of the banking system last year, Canalys managed to emerge with many advantages.'

'Our company, always run from a positive cash position, has used the last 12 months to revitalize its product portfolio and plan for a fast recovery. Most importantly, we have a dedicated, ambitious and highly skilled team that has achieved worldwide recognition. Our strength and presence in key Asian markets is a major plus, with growth rebounding so quickly in those regions. We have an exciting 12 months ahead.'

About Canalys

Canalys specializes in delivering high-quality market data, analysis and advice to the world's leading technology vendors. It is recognized 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 and provides worldwide market data and trends analysis.

About the Canalys Channels Forum 2010: 'Prepare to switch on'

From 5-7 October 2010, Canalys will host EMEA's largest and most influential annual channel event at the Hotel Arts, Barcelona. This two-day, invitation-only event offers senior one-to-one meetings, business-savvy keynotes, research into industry and channel trends, and expert-led debates. Join over 500 executives from across EMEA - including top vendors, distribution management, hundreds of leading SMB resellers and Canalys analysts - at this year's must-attend channel event. Visit www.canalyschannelsforum.com for more information.

Receiving updates

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© Canalys 2010 - page 2 of 2