

## EMEA network security market grows 9%

- Organizations invest to protect against denial-of-service attacks and to manage rising numbers of brought-in pads and smart phones
- Cisco extends lead over competition in Q4 2011

Shanghai, Palo Alto, Singapore and Reading - Monday, 12 March, 2012

Canalys reported today that the value of the EMEA (Europe, Middle East and Africa) network security market topped \$674 million in Q4 2011, up 9.0% year-on-year and 12.8% over the previous quarter. It cited several factors contributing to this growth.

“Organizations are investing to protect against the rise in denial-of-service attacks,” said Canalys Analyst Nushin Hernandez. “They are also having to cope with increasing numbers of personal smart phones and pads that are being brought into the workplace by employees. The need for more integrated solutions has also become paramount; tougher compliance regulations are forcing organizations to deploy broader security capabilities.”

A boost in spending in Western Europe was particularly evident. The region grew 9.7% year-on-year despite large declines in Southern Europe. Russia and emerging markets in Central and Eastern Europe were also strong, with the region growing 14.9% overall. The market across the Middle East and Africa declined 0.3%, with economic and political uncertainty in some countries influencing decisions to put projects on hold.

<b>EMEA enterprise network security market</b>					
<b>Market shares Q4 2011, Q4 2010</b>					
Vendor	Q4 2011 shipment value (\$m)	% share	Q4 2010 shipment value (\$m)	% share	Growth Q4'11/Q4'10
Total	674.1	100.0%	618.5	100.0%	9.0%
Cisco	179.0	26.6%	150.7	24.4%	18.8%
Check Point	130.3	19.3%	109.3	17.7%	19.2%
Juniper Networks	65.6	9.7%	76.8	12.4%	-14.6%
Fortinet	49.0	7.3%	44.4	7.2%	10.3%
IBM	22.9	3.4%	23.8	3.8%	-3.5%
Others	227.2	33.7%	213.5	34.5%	6.4%

Source: Canalys estimates, © Canalys 2012

Cisco remained the leading network security vendor for EMEA in the quarter, growing 18.8% year-on-year and accounting for 26.6% of shipments by end-user value, according to Canalys estimates.

“Cisco extended its lead over the competition this quarter by securing key high-end deals coupled with aggressive pricing,” Hernandez continued. “A refresh of its ASA products and additions to its mid-range appliances will help it maintain its strong position in the high-end firewall segment and open up the competitive midmarket in 2012. Its security business will grow, but it must work with channel partners to win more security-specific deals in addition to succeeding with networking business add-on sales.”

Check Point reported record revenue for Q4 2011. Its network security business grew 19.2%, bringing its market share to 19.3%. Juniper Networks declined 14.6% year-on-year due to softer service provider spending, while Fortinet continued its track record of posting double-digit growth, growing 10.3%.

Commenting on the numbers, Canalys Senior Analyst Alex Smith said, “Check Point’s performance was helped by its updated appliance portfolio and tailored software blade bundles, which present enterprises with a straightforward method of adding to their base level network security requirements. Fortinet is benefiting from channel initiatives implemented at the beginning of 2011, as well as a wider portfolio that means it can expand into the data center. Juniper’s recent acquisition of Mykonos Software will help broaden its enterprise product portfolio and we expect to see a continued focus on developing its security business going forward.”

In 2011, most vendors introduced application control capability into their firewalls. In 2012 this will be less of a differentiator and expected more as standard. “This year we’ll see vendors tailoring their portfolios to target distinct, growing opportunities, such as data centers, managed security services and small businesses,” Smith added. “But we also expect to see more aggressive pricing, through discounts and channel promotions, and this will often be led by smaller vendors confident they can take share from the larger, broader players.”

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