

Gartner Says Worldwide External Controller-Based Disk Storage Market Declined 15.7 Per Cent in the Second Quarter of 2009

STAMFORD, Conn., September 3, 2009 — Worldwide external controller-based (ECB) disk storage revenue totalled nearly \$3.8 billion in the second quarter of 2009, a 15.7 per cent decline from the same period in 2008, according to Gartner, Inc.

“The year-on-year double-digit decline of 15.7 per cent primarily resulted from the economic downturn and longer sales cycles,” said Donna Taylor, principal research analyst for Gartner’s global Storage Quarterly Statistics programme. “A bright spot in the disk array market has been in Network Attached Storage (NAS), which experienced a 3.5 per cent year-on-year growth rate in the second quarter of 2009.”

EMC maintained its No.1 position with 23.7 per cent revenue market share (see Table 1). IBM placed second with 15.7 per cent, and Hewlett-Packard came in third with 10.3 per cent of the market. Dell placed fourth with 9.2 per cent, followed by Hitachi/HDS with 8.7 per cent. NetApp and Sun Microsystems placed sixth and seventh, respectively, with 8.5 per cent and 4.5 per cent market share.

Table 1
Worldwide External Controller-Based Disk Storage Vendor Revenue Estimates for 2Q09
(Millions of US Dollars)

| Company | 2Q09 Revenue (\$M) | 2Q09 Market Share (%) | 2Q08 Revenue (\$M) | 2Q08 Market Share (%) | 2Q08 - 2Q09 Revenue Change (%) |
|--------------------------|--------------------------|-----------------------------|-----------------------|-----------------------------|--|
| EMC ¹ | 891.9 | 23.7 | 1,082.9 | 24.2 | -17.6 |
| IBM | 592.7 | 15.7 | 628.3 | 14.1 | -5.7 |
| Hewlett-Packard | 388.3 | 10.3 | 540.5 | 12.1 | -28.2 |
| Dell | 345.4 | 9.2 | 402.6 | 9.0 | -14.2 |
| Hitachi/HDS ² | 326.8 | 8.7 | 379.6 | 8.5 | -13.9 |
| NetApp | 322.1 | 8.5 | 357.0 | 8.0 | -9.8 |
| Sun Microsystems | 169.3 | 4.5 | 294.0 | 6.6 | -42.4 |
| Others ³ | 730.9 | 19.4 | 786.0 | 17.6 | -7.0 |
| Total | 3,767.5 | 100.0 | 4,470.9 | 100.0 | -15.7 |

Note1 EMC revenue excludes OEM revenue from Dell and Fujitsu Siemens.

Note2 Hitachi/Hitachi Data Systems revenue excludes OEM revenue from HP and Sun Microsystems.

Note 3 Others revenue in 2Q09 includes new vendor coverage not available in 2Q08, as well as enhanced estimates of the “white box” market

Source: Gartner (September 2009)

*** Please note that at the beginning of the fourth quarter of 2008, Gartner added new vendor coverage in the Others category, as well as enhanced “white box” estimates. Therefore, revenue estimates for the Others category will tend to distort market shares among all categories until FY09, when an apples-to-apples comparison will be possible. As a result, Gartner suggests that readers focus instead on the individual “named” vendors’ year-on-year revenue % change.**

Gartner ECB disk storage reports reflect hardware only revenue, as well as hardware revenue associated with financial leases and managed services. Optional storage software revenue and storage area network infrastructure components are excluded.

About Gartner

Gartner, Inc. (NYSE: IT) is the world's leading information technology research and advisory company. Gartner delivers the technology-related insight necessary for its clients to make the right decisions, every day. From CIOs and senior IT leaders in corporations and government agencies, to business leaders in high-tech and telecom enterprises and professional services firms, to technology investors, Gartner is the indispensable partner to 60,000 clients in 10,000 distinct organizations. Through the resources of Gartner Research, Gartner Executive Programs, Gartner Consulting and Gartner Events, Gartner works with every client to research, analyze and interpret the business of IT within the context of their individual role. Founded in 1979, Gartner is headquartered in Stamford, Connecticut, U.S.A., and has 4,000 associates, including 1,200 research analysts and consultants in 80 countries. For more information, visit www.gartner.com.

###