

## **Gartner Says EMEA Application Infrastructure and Middleware Market Revenue Increased 5.9 Per Cent in 2007**

*Analysts Examine the State of the Industry at Gartner SOA and Application Development & Integration Summit 2008, 25-26 June, London, UK*

**Egham, UK, 25 June 2008** — The application infrastructure and middleware (AIM) software market\* revenue in Europe Middle East and Africa (EMEA) totalled €3.4 billion in 2007, a 5.9 per cent increase from 2006 revenue of €3.2 billion, according to Gartner, Inc. The market was primarily driven by strong growth in emerging market segments, such as enterprise service buses (ESBs) and business process management suites (BPMS).

“This single digit growth in 2007 indicates that the years of strong growth are over,” said Teresa Jones, senior research analyst at Gartner.

“The AIM market can be primarily characterised by three overall market forces,” Ms Jones said. “The market is demonstrating resilience with several mature segments still evolving and growing. In addition, vendors are shifting their traditional application infrastructure and middleware products mix toward ESBs and BPMS in response to the strong demand for products that support service-oriented architecture (SOA) and process-centric applications. Thirdly, the globalisation and internationalisation of companies are driving B2B integration requirements and sophistication.”

In 2007, the top five vendors held more than 50 per cent of the overall AIM market in EMEA and are slowly eroding market shares from the smaller vendors primarily through acquisitions and expansion of their middleware suites offerings. IBM maintained its leading position and accounted for 31 per cent of the EMEA total software revenue (see Table 1). “This year is set to be the most challenging for IBM in the middleware segment following Oracle’s acquisition of BEA which consolidated the second and third position in the AIM software market,” added Ms Jones. Among the top five vendors, Software AG exhibited the strongest growth with 73.6 per cent increase in EMEA revenues from 2006. The company’s performance was primarily a result of the acquisition of webMethods.

**Table 1**

**EMEA Vendor Revenue Estimates for Total AIM Software, 2006-2007 (Millions of Euros)**

<b>Company</b>	<b>2007 Revenue</b>	<b>2007 Market Share (%)</b>	<b>2006 Revenue</b>	<b>2006 Market Share (%)</b>	<b>2006-2007 Growth (%)</b>
IBM	1,057.7	31.0	1,010.3	31.4	4.1
Oracle	298.4	8.8	260.8	8.1	14.4
BEA Systems	289.1	8.5	311.8	9.7	-7.4
Software AG	133.8	3.9	77.1	2.4	73.6
Tibco	124.4	3.7	126.1	3.9	-1.3
Others	1,504.8	44.2	1,431.7	44.5	5.1
<b>Total</b>	<b>3,408.2</b>	<b>100.0</b>	<b>3,217.7</b>	<b>100.0</b>	<b>5.9</b>

Source: Gartner (June 2008)

Integration Appliances, one of the 11 segments in which Gartner divides the AIM market was the fastest growing segment which saw an increase of 61 per cent in 2007, although growing from a small installed base. Business Process Management (BPM) suites held the No.2 position with a solid 38.2 per cent growth continuing to benefit from the increasing demand for SOA.

From a regional perspective, Western Europe remains by far the largest market within EMEA, accounting for 88 per cent market share in revenues. The UK remained the largest country market with 21.8 per cent of revenues by country, followed by Germany and France, with 15.9 per cent and 12.8 per cent of revenues respectively.

“We expect further consolidation with the dichotomy between megavendors and best of breed vendors accentuated by the Oracle acquisition of BEA,” concluded Ms Jones. “Being a generalist in a consolidated AIM market is a dangerous position. We recommend software vendors to innovate and differentiate their business models and go-to-market strategies by addressing narrower horizontal, vertical or geographic requirements in markets that are reaching functional parity and maturity.”

\*The AIM market includes 11 segments that comprise general-purpose portal products, BPM-enabling technologies, application integration and platform middleware and B2B/Multienterprise products and new entrants, notably integration as a service (IaaS) and integration appliances to offer a holistic picture of the entire set of components influencing this market.

Additional information is available in the Gartner report “Market Share: Application Infrastructure and Middleware Software, EMEA, 2007”

Gartner analysts will further explore application architecture and governance, changing software platforms and web and multi-enterprise collaboration at the Gartner SOA and Application Development & Integration Summit, taking place on 25-26 June in London. The Summit brings together a compelling blend of Gartner expertise, end-users and vendors in four conference tracks, including new research and best practice advice, real-life case studies, interactive panels and solution provider sessions in more than 80 sessions over two days.

For more information on the Summit and the full agenda, please visit the Gartner SOA and Application Development & Integration Summit Web site at [www.europe.gartner.com/soa](http://www.europe.gartner.com/soa)

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