

Canalys expansion and growth continues

– Turnover increases by 44%, as consulting and events outperform

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For immediate release

Canalys today announced its highest ever operating profits and the completion of another year of rapid growth. Canalys recorded 2007 revenues of approximately €6.1 million, up from €4.2 million in 2006. Importantly, it also has a consistent track record – from 2004 to 2007 it recorded compound annual growth of 33%. This strong position provides a great platform for further expansion as it moves into its second decade.

2007 saw Canalys perform well on many fronts, headlined by impressive progress in its channels consulting business, which produced outstanding revenue growth of more than 80%. Other highlights included a successful first Canalys Channels Forum, the growth of the Canalys Navigation Forum and the launch of Candefero, the innovative global channel community web site. Its Asia Pacific operations also saw rapid progress, particularly in the second half of the year as a result of strong demand for its mobile service portfolio, leading to acceleration of headcount plans for the region.

Steve Brazier, Canalys president and CEO, said, “Our strategy to diversify in both our geographical reach and our product portfolio, paid great dividends during 2007 and leaves us well placed to navigate the troubled economic times of 2008. Our Asia Pacific business is already reaching breakeven levels and our research shows that technology adoption will continue to boom there during 2008. Furthermore we have a good balance of exposure to consumer markets, through our digital entertainment and mobility services, through to the large enterprise sector with our work in unified communications and security. We expect to see some turbulence within parts of the technology industry this year, but believe our balanced business positions us for stability.”

In 2007 Canalys generated 53% of its revenues from continuous services, 2% from presentations and reports and the remaining 45% from custom consulting and events. Sandy Fitzpatrick, vice president, continued, “We expect our consulting business to perform well during any economic slowdown because vendors will have to seek greater efficiencies and require more robust justification for new investments. More and more vendors are approaching us systematically whenever they need support on channel strategy, programmes or satisfaction. A particular feature of 2007 was our increasing work within enterprise software channels, and we continue to represent the de facto standard for managing the complexity of convergent channels.”

Alan Cardy, vice president of business development, added, “The Canalys Channels Forum started with a bold new approach for bringing together the top resellers from EMEA and the premier channel executives from the vendors. It has already become the single most important event in the IT channel calendar, with participants from over 30 countries and support from the biggest brands in the industry. We will build on that success with significant new innovations for the next event, which will be announced shortly. The Canalys Navigation Forum is expanding in 2008 to span the globe and has been tailored to address the different regions in which the events will take place. San Francisco, Budapest, Bangalore and Taipei are the locations and the events will address both the move into location-based services and emerging market opportunities.”

Externally, the success of Canalys has also been recognised by Outsell, the leading research and advisory firm for the information industry, which awarded Canalys one of its four global “Rising Star” accolades in its annual report: “Market Research and IT & Telecom Research, Reports & Services: 2007 Market Forecast and Trends”. In the same report, Outsell ranked Canalys as the 25th largest IT and Telecom Research company in the world during 2006. Given its growth in 2007, Canalys expects to be approaching the top 20 when the next league table is published.

Steve Brazier concluded, “2007 was an exceptional year with which to close our first decade. We are delighted with the progress we have made, and are proud to have built such a strong team of people that continues to receive praise from our clients. In 2008 our ambitions will continue as we launch more products, enter new regions, build out Candefero and expand our events division. The first quarter has started strongly, but we know we will not see the same kind of revenue growth in 2008 as we have in recent years. This is partly due to seasonality within our events business, but also because we have prioritised the development of our infrastructure, where we will make several more announcements during the year. We then expect to return to more rapid revenue growth in 2009.”

Note to editors: all financial results are unaudited and given for guidance only. Canalys.com Ltd’s financial year ends December 31. More information regarding Outsell’s report entitled “Market Research and IT & Telecom Research, Reports & Services: 2007 Market Forecast and Trends” can be found at www.outsellinc.com.

About Canalys

Founded in 1998, Canalys is one of the fastest growing technology market analyst firms in the world. It 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

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Page 2 of 3

services in the consumer, SMB and large enterprise segments, and provides worldwide market data and trends analysis.

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