

CONTACTS:

Janessa Rivera
Gartner
+ 1 408 468 8312
janessa.rivera@gartner.com

Robert van der Meulen
Gartner
+ 44 (0) 1784 267 738
rob.vandermeulen@gartner.com

Gartner Says Worldwide External Controller-Based Disk Storage Market Grew 1.9 Per Cent in Fourth Quarter of 2012

STAMFORD, Conn., 21 March, 2013 — Worldwide external controller-based (ECB) disk storage vendor revenue totalled \$6.0 billion in the fourth quarter of 2012, a 1.9 per cent increase from revenue of \$5.9 billion in the fourth quarter of 2011, according to Gartner, Inc.

"The fourth quarter 2012 results represent the 13th consecutive quarter of revenue growth, said Roger Cox, research vice president at Gartner." However, the anaemic year-on-year 1.9 per cent growth is a reflection of the dour macroeconomics in North America and in Europe, as well as a slowing economy in the Asia/Pacific region."

EMC, Hitachi/Hitachi Data Systems (HDS) and NetApp beat the year-on-year market growth rate in the fourth quarter (see Table 1). EMC gained share with its fit-for-purpose VNX, VMAX and Data Domain platforms, as well as the accretive influence of the Isilon acquisition. After a couple of spotty quarters, and with most its platform portfolio (FAS2000/FAS3000) refreshed, coupled with improving traction of its clustered Data ONTAP operating system, NetApp realised above-market results. With best-in-class year-on-year revenue growth performance, the high-end VSP remained Hitachi/HDS's primary strength.

Table 1
Worldwide External Controller-Based Disk Storage Vendor Revenue Estimates for 4Q12 (Millions of US Dollars)

Company	4Q12 Revenue	4Q12 Market Share (%)	4Q11 Revenue	4Q11 Market Share (%)	4Q11-4Q12 Change (%)
EMC ¹	2,067.4	34.2	1,937.2	32.7	6.7
IBM	976.6	16.2	977.3	16.5	-0.1
NetApp ²	637.3	10.6	619.6	10.5	2.8
Hitachi/HDS ³	570.4	9.4	558.1	9.4	2.2
HP	479.4	7.9	555.6	9.4	-13.7
Dell	393.1	6.5	417.0	7.0	-5.7
Fujitsu ⁴	98.3	1.6	109.0	1.8	-9.8
Oracle	69.7	1.2	91.4	1.5	-23.7
Others	746.7	12.4	658.3	11.1	13.4
Total	6,038.8	100.0	5,923.5	100.0	1.9

Note 1: EMC revenue excludes OEM revenue from Dell and Fujitsu Technology Solutions.

Note 2: NetApp revenue excludes ONTAP OEM revenue from IBM and Engenio OEM revenue.

Note 3: Hitachi/HDS revenue excludes OEM revenue from HP.

Note 4: Fujitsu's branded revenue does not include products sold under the EMC and NetApp brands.

Source: Gartner (March 2013)

Dell, HP and IBM continue to underperform the market and lose share for fundamentally the same reasons. Their new product year-on-year revenue gains are insufficient to offset the year-on-year decline of the products being replaced. Moreover, Dell may be suffering from organisational and structural issues

that are hampering sales. HP continues to struggle with balancing the decline in what it classifies as "traditional storage" with its growing "converged" go-to-market model. IBM's strategy of emphasizing its IP-based disk storage products is gaining traction, but is not yet strong enough to offset declines in technology sourced from NetApp.

For the year, worldwide disk storage vendor revenue totalled \$22.3 billion in 2012, a 4.9 per cent increase from revenue of \$21.2 billion in 2011 (see Table 2). Only EMC and Hitachi/HDS topped the market, but NetApp and Dell did achieve year-on-year revenue gains. Dell was stronger in the first half of 2012, while NetApp came on strong in the second half of 2012. Although pricing per terabyte continues to decline as expected, the average selling price (ASP) per unit increased 6.8 per cent in 2012, signalling larger configurations.

Table 2
Worldwide External Controller-Based Disk Storage Vendor Revenue Estimates for 2012 (Millions of US Dollars)

Company	2012 Revenue	2012 Market Share (%)	2011 Revenue	2011 Market Share (%)	2011-2012 Change (%)
EMC ¹	7,448.7	33.4	6,728.7	31.7	10.7
IBM	2,963.9	13.3	3,007.0	14.2	-1.4
NetApp ²	2,508.3	11.3	2,450.6	11.5	2.4
Hitachi/HDS ³	2,129.7	9.6	1,989.5	9.4	7.0
HP	1,962.5	8.8	2,071.1	9.8	-5.2
Dell	1,609.5	7.2	1,580.3	7.4	1.9
Fujitsu ⁴	457.7	2.1	472.5	2.2	-3.1
Oracle	319.7	1.4	359.1	1.7	-11.0
Others	2,878.4	12.9	2,574.3	12.1	11.8
Total	22,278.5	100.0	21,233.0	100.0	4.9

Note 1: EMC revenue excludes OEM revenue from Dell and Fujitsu Technology Solutions.

Note 2: NetApp revenue excludes ONTAP OEM revenue from IBM and Engenio OEM revenue.

Note 3: Hitachi/HDS revenue excludes OEM revenue from HP.

Note 4: Fujitsu's branded revenue does not include products sold under the EMC and NetApp brands.

Source: Gartner (March 2013)

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

Additional information on the ECB disk storage market is available in the Gartner "Quarterly Statistics: Disk Array Storage, All Regions, All Countries, 4Q12 Update." The report includes vendor market share by data access method, price band, sales channel and operating system segmentation. The report is available on Gartner's web site at <http://www.gartner.com/resId=2360915>.

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 a valuable partner in over 13,000 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, USA, and has 5,500 associates, including 1,400 research analysts and consultants, and clients in 85 countries. For more information, visit www.gartner.com.

###