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## Gartner Says Worldwide External Controller-Based Disk Storage Market Grew 4.8 Per Cent in Fourth Quarter of 2011

EGHAM, UK, 9 March, 2012 — Worldwide external controller-based (ECB) disk storage vendor revenue totalled \$5.9 billion in the fourth quarter of 2011, a 4.8 per cent increase from revenue of \$5.6 billion in the fourth quarter of 2010, according to Gartner, Inc.

"The fourth quarter 2011 results represent the ninth consecutive quarter of revenue growth, but fell short of Gartner's expectations of a 7.6 per cent year-on-year increase," said Roger Cox, research vice president at Gartner. "Historically, the fourth quarter produces 29.2 to 29.7 per cent of the total year's vendor revenue, but the fourth quarter of 2011 came in shy at 27.9 per cent because of three reasons — economic weakness in North America and EMEA (Europe, the Middle East and Africa), some hard-disk drive supply problems caused by the October 2011 flood in Thailand, and the inability of HP and IBM to keep pace with their improving performance during the first nine months of 2011."

EMC, NetApp, Hitachi/Hitachi Data Systems (HDS) and Fujitsu beat the year-on-year market growth rate in the fourth quarter (see Table 1). EMC gained share with its VNX, VMAX and Data Domain platforms, as well as the accretive influence of the Isilon acquisition. After a couple of spotty quarters, and with its platform portfolio (FAS6000/3000/2000) fully in place, NetApp realised above market results from its core ONTAP-based unified storage platforms. With best in class year-on-year revenue growth performance, the high-end VSP remained Hitachi/HDS's primary strength. Fujitsu's entry to midrange modular ETERNUS DX-series produced solid above market results, propelling a 22.7 per cent annual growth rate.

**Table 1**

### Worldwide External Controller-Based Disk Storage Vendor Revenue Estimates for 4Q11 (Millions of US Dollars)

Company	4Q11 Revenue	4Q11 Market Share (%)	4Q10 Revenue	4Q10 Market Share (%)	4Q10-4Q11 Change (%)
EMC <sup>1</sup>	1,937.2	32.7	1,602.0	28.3	20.9
IBM	977.3	16.5	984.4	17.4	-0.7
NetApp <sup>3</sup>	619.6	10.5	556.5	9.8	11.3
Hitachi/HDS <sup>2</sup>	558.1	9.4	521.8	9.2	6.9
HP	555.6	9.4	581.1	10.3	-4.4
Dell	417.0	7.0	411.4	7.3	1.4
Fujitsu <sup>4</sup>	109.0	1.8	88.8	1.6	22.7
Oracle	91.4	1.5	89.8	1.6	1.8
Others	658.3	11.1	818.2	14.5	-19.5
<b>Total</b>	<b>5,923.5</b>	<b>100.0</b>	<b>5,654.2</b>	<b>100</b>	<b>4.8</b>

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

Note 2: Hitachi/HDS revenue excludes OEM revenue from HP.

Note 3: NetApp revenue excludes ONTAP OEM revenue from IBM and Engenio OEM revenue.

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

Source: Gartner (March 2012)

Dell, HP, IBM and Oracle lost share in the ECB disk storage market in the fourth quarter of 2011. While IBM's Storwize V7000 and XIV systems achieved a 51.5 per cent revenue increase year over year, the sluggish performance of its DS-series caused overall ECB revenue to decline 0.7 per cent. Even though HP increased 3PAR revenue 44.2 per cent sequentially in the fourth quarter, its P6000 EVA, P4000 SAN (LeftHand) and P2000 MSA platforms declined year-on-year, resulting in a 4.4 per cent drop-off in overall ECB disk storage revenue.

Dell's IP-based products (EqualLogic, Compellent and PowerVault series) achieved year-on-year revenue growth; however, it still suffered from the disengagement from the OEM agreement with EMC. Albeit small (1.8 per cent), the fact that Oracle achieved positive year-on-year revenue growth for the first time in five quarters was encouraging for the company, but Oracle still suffered from field sales operational issues.

For the year, worldwide disk storage vendor revenue totalled \$21.2 billion in 2011, a 9.8 per cent increase from revenue of \$19.3 billion in 2010 (see Table 2). Among the top five vendors, EMC continued to lead the market, followed by IBM and NetApp.

**Table 2**  
**Worldwide External Controller-Based Disk Storage Vendor Revenue Estimates for 2011 (Millions of US Dollars)**

Company	2011 Revenue	2011 Market Share (%)	2010 Revenue	2010 Market Share (%)	2010-2011 Change (%)
EMC <sup>1</sup>	6,728.7	31.7	5,432.9	28.1	23.9
IBM	3,007.0	14.2	2,790.3	14.4	7.8
NetApp <sup>3</sup>	2,450.6	11.5	2,071.9	10.7	18.3
HP	2,071.1	9.8	1,898.1	9.8	9.1
Hitachi/HDS <sup>2</sup>	1,989.5	9.4	1,702.2	8.8	16.9
Dell	1,580.3	7.4	1,583.7	8.2	-0.2
Fujitsu <sup>4</sup>	472.5	2.2	428.3	2.2	10.3
Oracle	359.1	1.7	477.6	2.5	-24.8
Others	2,574.3	12.1	2,954.3	15.3	-12.9
<b>Total</b>	<b>21,233.0</b>	<b>100.0</b>	<b>19,339.3</b>	<b>100.0</b>	<b>9.8</b>

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

Note 2: Hitachi/HDS revenue excludes OEM revenue from HP.

Note 3: NetApp revenue excludes ONTAP OEM revenue from IBM and Engenio OEM revenue.

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

Source: Gartner (March 2012)

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, 4Q11 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 website at <http://www.gartner.com/resId=1939617>

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