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## Gartner Says Worldwide External Controller-Based Disk Storage Market Grew 10 Per Cent in Third Quarter of 2008

STAMFORD, Conn., December 9, 2008 — Worldwide external controller-based (ECB) disk storage revenue totalled \$4.3 billion in the third quarter of 2008, a 10 per cent increase over the same period in 2007, according to Gartner, Inc.

EMC maintained the No. 1 spot overall, finishing the quarter at 26.1 per cent market share (see Table 1). IBM was in second place with 13 per cent of the market, followed by Hewlett-Packard with 11.3 per cent. NetApp recorded the highest growth year-over-year at 21.1 per cent showing strong growth in the FAS2000 Series. Dell had the next highest growth with 12.6 per cent. Also recording double digit growth was EMC with 11.7 per cent and Hitachi Data Systems at 10.7 per cent. Sun Microsystems grew by 6.1 per cent.

On a regional basis, Latin America showed the highest growth at 15.8 per cent year-over-year followed by Europe, Middle East and Africa (EMEA), Asia Pacific and Japan at 12.6 per cent, 11.5 per cent and 6.2 per cent, respectively. ECB revenue in North America grew 8.4 per cent year-over-year.

“Maintaining double-digit growth year-over-year is significant given the current economic conditions,” said Robin Burke, research vice president for Gartner’s global Storage Quarterly Statistics programme. “However, when comparing the second and third quarters of 2008 all regions showed single-digit negative growth. Worldwide growth showed a decline of 4.5 per cent sequentially while North America and Western Europe declined 3.1 per cent and 4.4 per cent respectively.”

**Table 1**  
**Worldwide External Controller-Based Disk Storage Vendor Revenue Estimates for 3Q08**  
**(Millions of US Dollars)**

Company	3Q08 Revenue	3Q08 Market Share (%)	3Q07 Revenue	3Q07 Market Share (%)	3Q08 - 3Q07 Change (%)
EMC*	1,112.1	26.1	995.8	25.7	11.7
IBM	554.8	13.0	564.8	14.6	-1.8
Hewlett-Packard	481.3	11.3	484.7	12.5	-0.7
Hitachi Data Systems**	419.7	9.8	379.2	9.8	10.7
Dell Inc.	377.8	8.9	335.6	8.7	12.6
NetApp	342.0	8.0	282.4	7.3	21.1
Sun Microsystems	182.9	4.3	172.3	4.4	6.1
Fujitsu/Fujitsu Siemens	106.6	2.5	114.2	2.9	-6.7
Other Vendors	685.7	16.1	546.7	14.1	25.4
<b>Total</b>	<b>4,262.8</b>	<b>100.0</b>	<b>3,875.8</b>	<b>100.0</b>	<b>10.0</b>

Note\* EMC revenue excludes OEM revenue from Dell and Fujitsu Siemens.

Note \*\* Hitachi/HDS revenue excludes OEM revenue from HP and Sun Microsystems.

Source: Gartner (December 2008)

In EMEA, the external controller-based disk storage revenue in the third quarter of 2008 totalled \$1.3 billion accounting for 31 per cent of worldwide revenue. EMC continued to lead the EMEA market with a 25.6 per cent revenue share (see Table 2). Dell's year-over-year growth of 29 per cent can be attributed to growth in PowerVault MD3000 and PS5000 products. Hitachi Data Systems and NetApp also showed high double-digit growth for the period. Internet small computer system interface storage area network (iSCSI SAN) grew 64 per cent with Dell leading with a 30 per cent share.

In the third quarter of 2008, fibre channel storage area network (FC SAN) still maintained a strong market share at 86 per cent over iSCSI SAN. Standalone network attached storage (NAS) increased 31 per cent in the same period. The use of SCSI access for direct attached storage (DAS) declined 89 per cent as serial attached SCSI direct attached storage (SAS DAS) continued to replace it.

**Table 2**  
**EMEA External Controller-Based Disk Storage Vendor Revenue Estimates for 3Q08**  
**(Millions of US Dollars)**

Company	3Q08 Revenue	3Q08 Market Share (%)	3Q07 Revenue	3Q07 Market Share (%)	3Q08 - 3Q07 Change (%)
EMC*	344.9	25.6	307.0	25.6	12.4
Hewlett-Packard	234.8	17.4	211.1	17.6	11.2
IBM	200.0	14.8	194.4	16.2	2.9
Dell Inc.	114.1	8.5	88.4	7.4	29.0
Hitachi Data Systems**	109.4	8.1	85.0	7.1	28.6
NetApp	109.1	8.1	86.4	7.2	26.3
Sun Microsystems	58.1	4.3	62.9	5.3	-7.7
Fujitsu/Fujitsu Siemens	28.5	2.1	42.0	3.5	-32.1
Other Vendors	150.5	11.2	121.3	10.1	24.1
<b>Total</b>	<b>1,349.4</b>	<b>100.0</b>	<b>1,198.5</b>	<b>100.0</b>	<b>12.6</b>

Note\* EMC revenue excludes OEM revenue from Dell and Fujitsu Siemens.

Note \*\* Hitachi/HDS revenue excludes OEM revenue from HP and Sun Microsystems.

Source: Gartner (December 2008)

Gartner external controller-based 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.

Additional information on the ECB disk storage market is available in the Gartner Dataquest report "Market Share: Disk Array Storage, All Regions, All Countries, 1Q05-3Q08." The report includes vendor market share by data access method, price band, channel and operating system segmentation. The report is available on Gartner's website.

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