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Gartner Says Security Software Market Grew 7.5 Per Cent in 2011

Key Issues Facing Security Industry to Be Examined at Upcoming Gartner Security & Risk Management Summits 2012 in Maryland, Sydney and London

STAMFORD, Conn., April 26, 2012 — Worldwide security software revenue totalled \$17.7 billion in 2011, a 7.5 per cent increase from 2010 revenue of \$16.4 billion, according to Gartner, Inc. Small or midsize business (SMB) demand, advanced persistent threats and compliance were among the main drivers.

"Growth in the 2011 security market reflects a continuation in demand for consumer and enterprise security tools," said Ruggero Contu, research director at Gartner. "However, despite overall solid growth, some regions did not experience the high-double-digit growth of emerging Asia/Pacific and Eurasia, which has been driven by 'Greenfield' projects and buoyant economies. Western Europe remained the laggard because of the region's uncertain economic situation."

The security software market continued to show resilience at a time of IT budget restrictions and despite Intel writing down considerable revenue following its McAfee acquisition, which prevented the market from reaching double-digit growth. McAfee was acquired by Intel on 28 February 2011, and the company's significant decline in revenue in 2011 was due to the fact that, as a result of normal purchase accounting rules, Intel was required to write down approximately 30 per cent of McAfee's \$1.4 billion of deferred revenue.

Retaining its market share lead in both the consumer and enterprise security space, Symantec recorded an annual growth rate of 17 per cent, reaching \$3.7 billion in 2011 (see Table 1). Symantec has continued to expand its offering beyond the traditional endpoint security market by leveraging its competency and mind share in the storage/data backup space and by putting a new focus on securing data, both at rest and in motion, through its data loss prevention (DLP) and encryption products.

Table 1
Security Software Revenue Market Share Estimates, Worldwide, 2011 (Millions of Dollars)

Company	2011 Revenue	2011 Market Share (%)	2010 Revenue	2010-2011 Growth (%)
Symantec	3,652.0	20.6	3,121.6	17.0
McAfee	1,226.0	6.9	1,691.6	-27.5
Trend Micro	1,205.1	6.8	1,082.5	11.3
IBM	930.1	5.3	814.7	14.2
EMC	716.1	4.0	626.6	14.3
Others	9,985.8	56.4	9,137.2	9.3
Total	17,715.1	100.0	16,474.2	7.5

Source: Gartner (April 2012)

Gartner analysts said McAfee has a strong brand and market presence which originates from its primary focus and specialisation on security, in both the consumer and enterprise markets. On the enterprise side, McAfee has been expanding its security software offering to network security following its acquisition of Secure Computing in November 2008. With its mother company Intel, McAfee aims to build on both companies' competencies and have better integration between hardware and security. The McAfee DeepSAFE, a new low-level security agent that runs below the OS on Intel Core I-series processors, is an example of the innovation that this new corporate entity aims to bring to the market.

Trend Micro was the other major market share leader in the security software market with a strong presence in both the consumer and enterprise security space. During 2011, Trend Micro grew 11 per cent, generating \$1.2 billion revenue, growth that unlike that of its main market competitors, was organic rather than from acquisitions.

"Products within the security market are undergoing rapid evolution, in terms of both new delivery models — with security as a service (SaaS) showing increasing popularity — and new technologies being introduced, often by startup companies," Mr Contu said. "Key vendors continued to expand their product portfolios in 2011, buying companies where appropriate and expanding their reach into emerging markets. Merger-and-acquisition activity also has been an important factor in shaping the market landscape, at least during the past five years. "

Additional information is available in the Gartner report "Market Share Analysis: Security Software, Worldwide, 2011." The report is available on Gartner's web site at <http://www.gartner.com/resId=1982317>.

About Gartner Security & Risk Management Summit 2012

Gartner analysts will examine the key issues facing the security industry during the Gartner Security & Risk Management Summit. The Summit features four programmes focusing on security; risk management and compliance; business continuity management; and chief information security officer (CISO) roles to deliver detailed, role-specific content and networking. Each programme offers a full agenda of analyst sessions, keynotes, roundtable discussions, case studies, workshops and more.

For additional details about the Gartner Security & Risk Management Summit 2012 taking place 19-20 September in London, please visit www.gartner.com/eu/security. Members of the media can register by contacting laurence.goasduff@gartner.com.

Additional information from the event will be shared on Twitter at http://twitter.com/Gartner_inc and using #GartnerSEC.

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