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Analysis Firm The 451 Group Scrutinizes 2004-2005 Performance and Market Opportunity for Enterprise Mobile Software Vendors

451 Special Report tackles issue of what happened to the enterprise mobile revolution; Highlights the next 18 months as critical partnering and acquisition period for vendors; Shows enterprise mobile-related M&A set to grow beyond US\$83 million reported for 2003

New York, January 22, 2004 – The 451 Group believes 2004 will be a key transition year for companies that develop enterprise mobile software. At stake is their ability to seize what 451 analysts believe will be a significant marketplace upturn in this segment by late 2004 and early 2005. The next 18 months, thus, will be a key period and will see a marked pick-up in the level of partnering and M&A activity.

These are just some of the findings of the 451 Special Report – *2004-2005 Outlook for enterprise mobile vendors; Many have survived, but who will prosper?* – which analyzes the shifting dynamics of the enterprise mobile software market and explores the go-to-market strategies that are likely to succeed. The report further delves into the competitive environment for key vendors (see below for a comprehensive list of companies), focusing on three key groups: 1) mobile office and mobile e-mail vendors, 2) synchronization vendors, and 3) mobile middleware and mobile applications vendors.

This 241-page report was released today by The 451 Group, an analysis firm covering the business of emerging information technologies. It was written by Tony Rizzo, sector head for enterprise mobile analysis; Steve Wallage, director of research; and William Fellows, principal analyst.

Key Findings

The 451 Group strongly believes that revitalized customer demand for mobile applications and products will create significant marketplace opportunities for the ‘mobile pure-play’ companies, profiled in the report, that survive into 2005. The better-managed mobile pure-plays will distinguish themselves by building industry partnerships with leading IT vendors, solutions integrators and independent software vendors and thus will position themselves to swallow weaker competitors.

The 451 Group expects to see a number of acquisitions in 2004, some of which will determine which companies will drive market consolidation in 2005. There also is renewed interest in these markets by leading IT and mobile hardware vendors, such as HP, IBM, Intel, Nokia and Sun, which will refine their own internal strategies and in many cases will seek to acquire mobile pure-play companies in late 2004 and early 2005.

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Additional key findings include the following:

- The next 18 months will be a critical transition period for the enterprise mobile technology market; there will be a shakeout of mobile pure-play companies as leading IT vendors develop their own new enterprise mobile strategies.
- Systems integrators and professional services firms will continue to play an important role as partners for the remaining mobile pure-play companies, whose success will depend on their skills in choosing deployment partners.
- M&A activity in 2004 and into early 2005 will prove to be deliberate and subtle, rather than aggressive, and will take place among the mobile pure-play companies themselves. The 451 Group believes that 2004 M&A activity will substantially exceed the reported US\$ 83 million in enterprise mobile software-related acquisitions made in 2003.
- Wireless carriers will likely not take a leadership role in enterprise mobile deployments in the US, but they will play strong roles in the Asia-Pacific region and will play a waiting game in Europe.

Companies Profiled

The 451 Group's *2004-2005 Outlook for enterprise mobile vendors* report focuses on three key segments of enterprise mobile software vendors. The segments profiled are:

- **Mobile office and mobile email vendors:** Good Technology, Notify, Psion Software, RIM, Seven, Smartner, Visto and Vuico
- **Synchronization vendors:** Extended Systems, iAnywhere Solutions and Pumatech
- **Mobile middleware and mobile applications vendors:** Adesso, Aether Systems, Aligo, Antenna Software, Broadbeam, Countermind, Defywire, Dexterra, Enterprise Air, Everypath, Infowave, JP Mobile, MDSI, Open Terra, Orsus, Shipcom, Telispark (acquired by Infowave) and Xora.

Analyst Perspective

“Although customer demand will increase sharply throughout 2004, achieving prosperity in the enterprise mobile software segment is not without challenges,” comments Tony Rizzo, sector head for enterprise mobile analysis with The 451 Group.

“Most of these vendors will not follow a straight-line path to profitability. Over the next 18 months, their strategic decisions, both in terms of positioning and also in terms of partnering and acquisitions, will make or break this group of companies.”

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About The 451 Group

The 451 Group is an analysis firm covering the business of emerging information technologies for a senior executive audience. The firm delivers timely, research-based insight that delves deeply into the dynamics and impact of newly commercialized technologies in all major segments of the enterprise computing marketplace.

The Group is headquartered in New York, with staff in key regional locations, including San Francisco and Silicon Valley, the Boston/Route 128 area and London. For additional information on the Group or to apply for a client trial online, go to the firm's website: www.the451.com

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