



**MEDIA CONTACT:** Kim Kent  
The 451 Group  
Boston  
617-261-0566  
kim.kent@the451group.com

## **The 451 Group: Data De-duplication Is One of the Hottest Emerging Segments Within the Enterprise Storage and Data-Protection Industry**

### ***New Report Provides a View of the Storage and Data-Protection Industry Landscape, End-User Perspectives and Analysis of Future M&A Activity***

*New York, July 2, 2007* – A new report from The 451 Group, a New York-based technology-industry analyst company focused on the business of enterprise IT innovation, has identified data de-duplication as a critical emerging technology that is helping to reshape the entire data-protection market. Furthermore, as well as being the most talked about 'hot' technology in the storage industry right now, data de-duplication is proving to be a real market in that organizations large and small are embracing it with open arms and wallets.

"Over the past three years, the de-duplication market has grown from nothing to \$100m in revenue for participants in 2006, and we expect this market to reach \$260m in 2007," said Simon Robinson, Research Director for Storage at The 451 Group and lead author of the report. "At this growth rate, data de-duplication is set to become a \$1bn market by 2009 – a target that is attainable given that this technology has broad appeal across vertical markets and among organizations of various sizes."

Additionally, 451 analysts found that de-duplication tools are rapidly evolving from point products to become features of broader data-protection offerings. As part of the first wave of evolution, de-duplication products are being applied to the backup infrastructure. The second major opportunity is applying de-duplication to other elements of the storage infrastructure, such as archiving and even primary storage. Research reveals that users are also aggressively embracing de-duplication as part of disaster-recovery implementations.

The 451 Group believes that in addition to spearheading a huge change in the way organizations protect their data, de-duplication is also presenting significant new challenges and opportunities among data-protection and storage vendors. With Data Domain, the current market leader, having successfully gone public, incumbent vendors now find themselves facing challenges from innovative, disruptive startups. The storage IPO market is slowly coming to life, and the possibility of an exit strategy beyond acquisition could reinvigorate the startup/venture capital landscape.

"Some of the more significant players in the storage market have been caught off guard by the rapid emergence of de-duplication," said Robinson. "Some have already acquired technologies to close the gap, and more will follow, while other small and large players are in the process of developing their own technology. We expect EMC, Network Appliance, Quantum Corp and Symantec to be among the vendors applying the most pressure. The next 12-18 months will see the de-duplication landscape change as these players come to market. The race is on."

This 96-page report, 'Data de-duplication: changing the nature of data protection,' was written by Simon Robinson. In 2006, The 451 Group released a 451 Special Report on the challenges and opportunities within the data-protection industry. This report focuses on de-duplication in its various forms and sets out to bring some much-needed clarity to the market landscape. It provides a thorough explanation of the widely different technology approaches, analyzing the relative merits of each and their applicability to different market segments. It identifies which of the startups have truly innovative technological approaches and takes an in-depth look at the market opportunities across a wide range of end users. It also provides the results of a comprehensive enterprise IT end-user survey about the perception, application and results of de-duplication implementation. Finally, it takes a close look at how this market will evolve from the technology and vendor perspectives, including analysis of previous and future M&A activity, pending IPOs and potential new market entrants.

**Key Companies Covered**

The report includes in-depth competitive assessments of the following companies (although this is not a complete list of companies covered in various sections of the report): Asigra, Data Domain, Diligent Technologies, EMC, ExaGrid Systems, FalconStor Software, NEC, Network Appliance, Quantum, Sepaton and Symantec.

**Report Orders**

To learn more about this report, or to discuss developing a client relationship with The 451 Group, contact Simon Carruthers, Vice President of Research Services, via phone at 212-505-3030 x-103, or via e-mail at: [simon.carruthers@the451group.com](mailto:simon.carruthers@the451group.com).

**About The 451 Group**

The 451 Group is an independent technology-industry analyst company focused on the business of enterprise IT innovation. The company's analysts provide critical and timely insight into the market and competitive dynamics of innovation in emerging technology segments. Clients of the company – at vendor, investor, service-provider and end-user organizations – rely on 451 insight to support both strategic and tactical decision-making for competitive advantage.

The 451 Group is headquartered in New York, with offices in key locations, including San Francisco, London and Boston. The company also operates Tier 1 Research – an independent division of The 451 Group, headquartered in Minneapolis – which analyzes the financial and industry implications of developments impacting public and private companies within the IT, communications and Internet sectors.

For additional information on The 451 Group or to apply for trial access to its services, go to: [www.the451group.com](http://www.the451group.com)

###