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Q1-06 Videoconferencing Industry Statistics

The videoconferencing endpoint market turned in some pretty stunning results for Q1-06. While many of the sequential numbers show negative growth, this is a common seasonality for

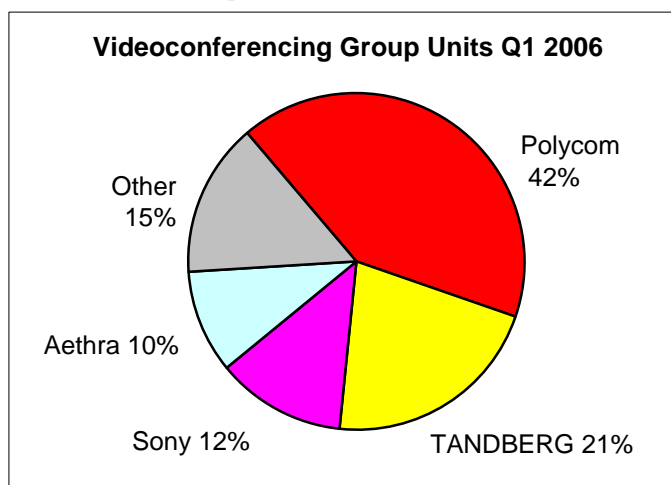
Group Videoconferencing	Q1-05	Q4-05	Q1-06	Sequential Growth	Annual Growth
Modular Group Rev	\$152.6	\$170.9	\$163.3	-4.4%	7.0%
Executive Revenues	\$10.3	\$15.8	\$15.3	-3.0%	48.4%
Total Group Revenues	\$162.9	\$186.7	\$178.6	-4.3%	9.6%
Infrastructure Rev	NA	NA	\$46.37	NA	NA
Modular Group Units	27,891	33,714	32,540	-3.5%	16.7%
Executive Units	2,957	5,012	5,370	7.1%	81.6%
Total Group Units	30,848	38,726	37,910	-2.1%	22.9%

the Q4-to-Q1 transition. What is more important are the annual growth figures. As seen in our summary table, for Q1 these numbers are unusually high, with total group system units growing by over 22% and revenues up over 9%. Our tracking system now details executive systems (all-in-one units with built in LCD devices, many of which are used for small rooms and many of which are used for personal conferencing) and modular

units – including roll abouts and set tops (anything which is not an executive system is by default a modular system in our definition).

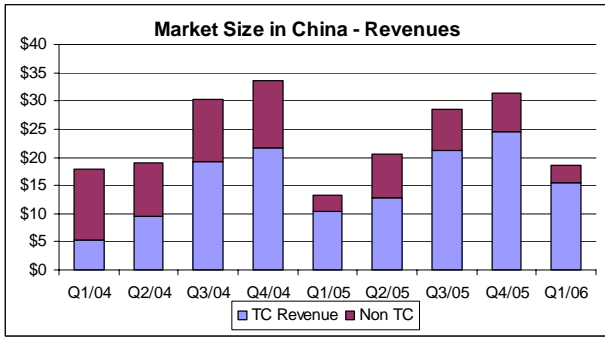
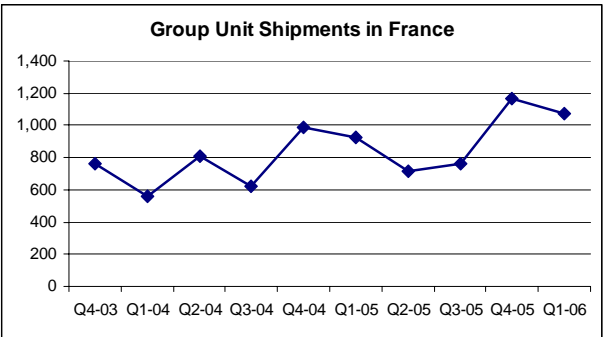
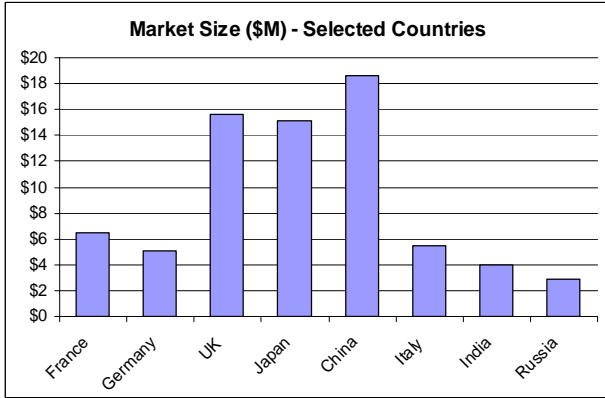
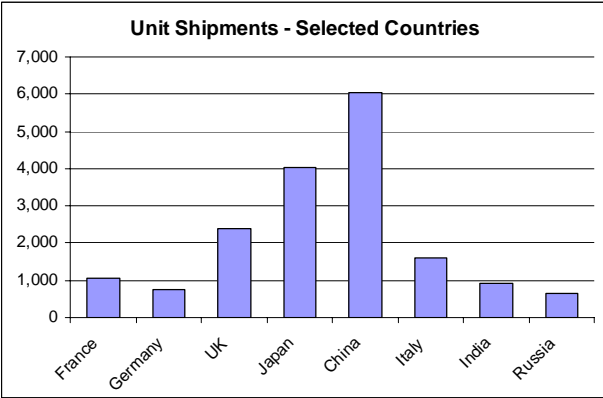
Once again, the market is dominated by just a small number of vendors. On a worldwide basis, Q1 was a remarkable slow quarter for “Team China,” our grouping of multiple China-based companies. The result is that Polycom, Aethra, and Sony each picked up market share

compared to Q4; while Tandberg was down slightly from 22% to 21%, an insignificant shift given the margin of error in our numbers.

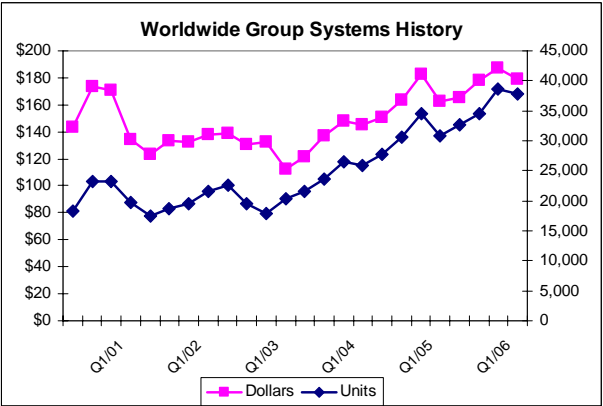


The shift in geographic distribution was not particularly sharp, with North America holding its own at approximately 40%, while EMEA gained slightly at the expense of Asia Pacific. The new SpotCheck report includes expanded country coverage, thanks to the participation of the vendors – we have added India and Russia to our list that already included France, Germany, UK, Japan, China, and Italy. With this new data, we are finding some sharp differences between countries and will be investigating further in coming quarters.

The Wainhouse Research SpotCheck report for videoconferencing endpoints is available as a separate for-fee service. Subscriptions are for a calendar year and include four quarterly reports with the Q4 report also adding an annual summary. To see a sample of a complete report (including an order form), [click here to download the pdf](#) or visit www.wainhouse.com/reports.



Example of country data included in SpotCheck data base



Worldwide quarterly history since Q2-2000 for group video systems

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Conferencing & Collaboration Event Calendar	
WHEN & WHERE	WHAT & WHO
2006-May 17, On-line	Energizing Marketing with Video Webcasting
2006-June 14-15, London, UK	Point Nine User Peer Networking Forum
2006-July 19-20-21, Boston, MA	The Wainhouse Research Summit – 2006
2006-September 13-14, Boston, MA	WR CSP Summit 2006 - Co-located with Fall VON
2006-October 22-25, Orlando, FL	Polycom User Group Annual Conference

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