

For Immediate Release

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**UK PIRACY RATE DROPS FOR FIRST TIME IN THREE YEARS
Business Software Alliance / IDC figures reveal software piracy down to 26% in
the UK**

London, UK – The amount of illegal or unlicensed software on PCs in the United Kingdom fell by one percentage point to 26% in 2007 after remaining unchanged for three years, amid a global trend in which piracy rates dropped in most countries. Losses as a result of software piracy hit £925 million in the UK, according to the IDC survey conducted for the Business Software Alliance (BSA).

The reduction follows significant investment by the BSA in both education and enforcement programmes over the last year in the UK. These include the launch of a dedicated, regional programme, which targeted Glasgow on account of its specific piracy problems and will be turning its attention to Manchester over the coming weeks. The BSA has also been actively engaging with politicians, businesses and stakeholder groups, all of which have been instrumental in raising awareness around software piracy and its associated risks.

“It’s encouraging that we’re making progress in the battle against software piracy, however there’s a huge amount yet to be done,” commented Julie Strawson, Chair, BSA UK Member Committee. “The fact remains that an unacceptable level of UK organisations still flout software licensing regulations. By using software illegally, businesses are undermining the software industry - a massive revenue generator for the UK – and also putting themselves at risk of losing data and incurring both financial penalties and serious damage to reputation.”

Mohammad Sarwar, the MP for Glasgow Central and Chairman, Scottish Affairs Select Committee, who helped spearhead the Glasgow campaign, said: “The impact of pirated software on business throughout all regions of the UK cannot be understated. As well as leaving companies vulnerable to security attacks and a poor reputation as a result of breaking the law, illegal goods drain revenues from companies that would otherwise invest in research and development and jobs.”

The impact of piracy is not only restricted to the software industry. A BSA study released in January found that reducing software piracy by 10% in the UK could generate 13,622 new jobs, contribute £4.42 billion to the UK economy and increase tax revenues by £1.08 billion to support local programmes and services.

Malcolm Harbour, MEP and EU Internal Market Spokesman, said: "Intellectual property is the linchpin of the knowledge economy and is crucial to the UK's ability to compete on the international stage, where innovation is key. The study shows that if we can reduce piracy by just a small amount, we can make a significant impact to the economy. As high growth companies from emerging markets are racing ahead, the UK must safeguard its assets if it is to remain competitive."

United States felt the greatest loss, despite the fact that it recorded the lowest piracy rate. Russia led the way with a one-year drop of seven points to 73% and a five year drop of 14 points.

Other key findings from the study:

- Among the 108 countries studied, PC software piracy dropped in 67 countries, and increased in only 8. However, because the worldwide PC market grew fastest in high-piracy countries, the worldwide piracy rate increased by three percentage points to 38% in 2007
- The BRIC countries, Brazil, Russia, India and China, shipped 61 million PCs, which nearly equals the US market
- In the BRIC region, Brazil scored: 59%, Russia: 73%, India: 69 %, China: 82%. This compares dramatically to the lowest-piracy countries: United States: 20% and Luxemburg: 21%.

"This study shows that government and industry anti-piracy efforts are delivering software piracy reductions in many countries; however, rapid PC growth in higher-piracy emerging markets translates into an overall increase in global piracy," said John Gantz, chief research officer at IDC. "We expect this trend to continue, meaning industry and government must increasingly focus their efforts on combating piracy in these emerging economies."

In order to enjoy the economic benefits of reducing software piracy, BSA encourages the UK Government to:

1. Follow through on the recommendations made in the Gowers Review of Intellectual Property in late 2006
2. Create a stronger deterrent environment by strengthening IP damages law in the UK
3. Improve public education and awareness
4. Lead by example by requiring the public sector to use only legitimate software.

About the IDC study

The study covers 108 countries and was conducted independently by IDC, the information technology (IT) industry's leading global market research and forecasting firm. It covers piracy of all packaged software that run on personal computers, including desktops, laptops, and ultra-portables. The study does not include other types of software such as server- or mainframe-based software. IDC used proprietary statistics for software and hardware shipments and enlisted IDC analysts in more than sixty countries to confirm software piracy trends.

For more details or a copy of the complete study, visit www.bsa.org/globalstudy.

About BSA

The Business Software Alliance (www.bsa.org) is the foremost organisation dedicated to promoting a safe and legal digital world. BSA is the voice of the world's commercial software industry and its hardware partners before governments and in the international marketplace. Its members represent one of the fastest growing industries in the world. BSA programmes foster technology innovation through education and policy initiatives that promote copyright protection, cyber security, trade and e-commerce.

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