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NEWS RELEASE

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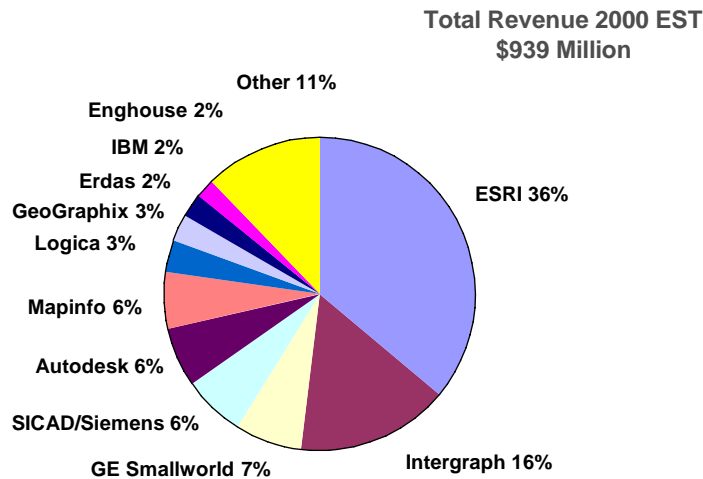
Ref: 2000 GIS Revenue

GIS SOFTWARE REVENUE TOPS $939 MILLION IN 2000

TOTAL USER SPENDING FOR GIS-RELATED SOFTWARE, HARDWARE, SERVICES HITS $7 BILLION

ESRI, INTERGRAPH, GE SMALLWORLD, SICAD, AUTODESK, MAPINFO LEAD IN GIS SOFTWARE REVENUE

Cambridge, MA, October 24, 2001 - GIS software revenue topped $939 million in 2000, according to a just-published market study by Daratech, Inc., a Cambridge, MA-based market research and technology assessment firm. The largest market for GIS software comprised state and local governments, which accounted for 20% of all software revenue, followed closely by telecommunications firms and utilities. Moreover, sales of GIS software drove a total of $7 billion in user spending on software, hardware and services. The largest portion of

2000 EST GIS Worldwide Core Business
Software Only

**Total Revenue 2000 EST
$939 Million**

Other 11%
Enghouse 2%
IBM 2%
Erdas 2%
GeoGraphix 3%
Logica 3%
Mapinfo 6%
Autodesk 6%
SICAD/Siemens 6%
GE Smallworld 7%
ESRI 36%
Intergraph 16%

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this was for third-party services such as consulting, systems integration and database development, which accounted for nearly two-thirds of the total. GIS software purchases also drove substantial hardware sales—more than $900 million, according to the new Daratech study.

Leading the GIS industry in software revenues were Environmental Systems Research Institute, Inc. (ESRI) and Intergraph Corporation. Together, the two companies accounted for more than half of the industry's total software revenues.

ESRI (Redlands, CA) was the number one GIS software provider, with estimated software revenues of $336.7 million. Indeed, ESRI generated more than one-third of all software revenue in the industry, with an estimated revenue share of 35.9%. A pioneer of the industry, ESRI today has close to one million seats of its technology installed worldwide in a broad range of industry markets including federal, state and local governments; earth resources; electric, water and gas utilities; oil and gas exploration and production; education; and marketing and sales.

Intergraph Corporation (Huntsville, AL), the second-largest GIS software provider by a wide margin over its nearest rivals, had estimated GIS software revenue of $146.8 million in 2000, or 15.6% of the industry's total. One of the industry's longest-established providers, Intergraph today has a number of vertical business units that provide significant GIS and related solutions and services. One of these, called Mapping and GIS Solutions, provides geospatial solutions to government, commercial and international markets. Another Intergraph business unit, Utilities and Communications, provides information systems for managing geospatial resources that deliver goods and services to consumers, such as those owned and operated by electric and gas utilities, pipelines, water companies, and communications providers.

Other GIS software leaders include GE Smallworld, SICAD Geomatics GmbH, Autodesk, Inc. and MapInfo Corporation.

GE Smallworld (Cambridge, UK), by Daratech's estimate the third-largest industry participant on the basis of software revenue, generated GIS software revenue of $64.8 million in 2000, or 6.9% of the industry total. GE Smallworld's success is built on its well regarded solutions for spatial resource planning, or SRP. By helping organizations understand such things as where and how their facilities and customers are located, GE Smallworld provides enterprise-wide support for its customers' fundamental business processes.

SICAD Geomatics GmbH (Munich, Germany), the number four software provider, had estimated GIS software revenue of $59.5 million, giving it a 6.3% share of total software revenue. An autonomous subsidiary of Siemens AG, the company develops technology for integrating GIS into standard applications and core business processes. SICAD has been particularly successful in capitalizing on growing demand for geodata management, and on opportunities for both mobile and stationary use of geodata over the Internet.

Also a major industry participant is Autodesk, Inc. (San Rafael, CA), which had estimated GIS software revenue of $58.6 million in 2000, or 6.2% of the industry's total. Capitalizing on the historical popularity of AutoCAD for map drafting, the company has over the past several years built an impressive GIS business, and today offers a broad, capable family of offerings that span customer organizations from field offices to back offices with enterprise, desktop, Internet and mobile applications.

Autodesk GIS solutions are used by customers in diverse industries including the communications, utilities, municipal and land development markets.

MapInfo Corporation (Troy, NY), another leading software provider and pioneer of desktop GIS, generated GIS software revenue of $53.9 million in 2000, accounting for 5.7% of the industry's total. MapInfo's success is built on developing, marketing and supporting location-based solutions for the customer relationship management (CRM) market. Intriguingly, MapInfo does not position itself as a traditional GIS solutions provider, but instead as offering solutions that help enterprises gain business advantage by becoming more effective in acquiring, retaining and maximizing the value of their customer relationships.

Daratech's new report on the GIS industry, titled Geographic Information Systems: Markets and Opportunities 2001, identifies business opportunities, analyzes current and future markets for GIS technology, explores today's successful GIS product and marketing strategies, profiles seven leading players in today's market, and provides a detailed reference to 32 GIS vendors and over 200 products. GIS Markets and Opportunities 2001 is available from Daratech for $4950. To order the report or receive a prospectus, visit www.daratech.com or contact Daratech, Inc., 255 Bent Street, Cambridge, MA 02141, USA; tel. (+1) 617.354.2339; fax (+1) 617.354.7822; e-mail sales@daratech.com.

About Daratech, Inc.

Daratech, Inc. is a market research and technology assessment firm that has specialized in CAD/CAM, CAE, CAPE, PDM/EDM, BOM and ERP integration, plant design/plant management automation, GIS and computer graphics since 1979. Daratech has achieved global recognition for the excellence of its high-level interactive strategy workshops including daratechSUMMIT, daratechPLANT, and daratechVAR. For more information contact Tom Greaves at Daratech, Inc., 255 Bent Street, Cambridge, MA 02141, USA; tel. (+1) 617.354.2339, ext. 3141; fax (+1) 617.354.7822; e-mail tom@daratech.com; www.daratech.com.

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