

**New Study from the Business Software Alliance
Reveals the Economic Impact of PC Software Piracy**

*The UK could lose out on £1.08bn in tax revenues and 13,220 new jobs
if action to reduce software piracy is not taken*

LONDON January 22, 2008 – A reduction in PC software piracy by 10 percentage points over four years (currently standing at 27%), could create a stronger local information technology (IT) sector, generate 13,220 new high paying jobs, £1.08 billion in tax revenues and contribute £4.46 billion to the UK's economy, according to a new study released today by the Business Software Alliance (BSA).

The research, commissioned by the BSA and conducted independently by International Data Corporation (IDC), illustrates that the IT industry is already a major contributor to jobs, tax revenues and UK's gross domestic product (GDP). In Britain, the IT sector is projected to be a £52.1 billion industry by 2011, supporting nearly 638,000 jobs and generating £32.5 billion in tax revenues each year. However, these forecasts could be seriously improved if piracy is adequately addressed.

"The findings come shortly after the launch of a consultation on proposed changes to copyright legislation opened by the UK government's current Minister for Intellectual Property, Lord Triesman. The consultation, a result of the Gowers' review conducted in 2006, aims to ensure that the UK's intellectual property laws are fit for purpose in the digital age."

"When countries take bold steps to reduce software piracy, everyone stands to benefit," said Julie Strawson, chair of the BSA UK member committee. "The UK industry has shown itself to be resilient under pressure; however, economists are predicting a difficult 2008. We must be stringent about protecting a robust IT sector and this study shows there is a compelling reason to do so: reducing software piracy delivers tangible benefits for governments and local economies."

IDC research released by BSA in May 2007 estimates that 27% of PC software installed on personal computers (PC) in the United Kingdom in 2006 was unlicensed. This has remained unchanged for three years despite efforts by the BSA and others to build awareness among small & medium-sized enterprises (SMEs) about the risks and legal consequences of using unlicensed PC software.

The study also highlights the cumulative benefits of stamping out piracy, generating revenue through the channel. IDC finds that for every £1 spent on legitimate packaged software, an additional £1.25 is spent on related services such as installing the software, training personnel, and providing maintenance services. Even more is spent on distribution. Most of these benefits accrue to locally-based resellers and software services and channel firms – meaning the greatest proportion of the economic benefits from lowering software piracy remain within the country.

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.

“Reducing PC software piracy is important for business owners and SMEs in order to reduce the legal and business risks of using unlicensed software,” said John Gantz, Chief Research Officer at IDC. “But software is unique in its ability to drive value throughout other sectors. Thus, policy makers should find a compelling case for taking steps to reduce software piracy in order to reap the economic benefits of a strong national software and IT sector. It’s clear that reducing software piracy delivers real results that help real people with real challenges.”

The new BSA-IDC study is available online at www.bsa.org/idcstudy and examines the bottom-line economic benefits of reducing PC software piracy in 42 countries. The cornerstone of the research is IDC's Piracy Impact Model (PIM), which takes inputs from IDC's market research around the globe on IT spending and software piracy, along with other information on IT employment levels and IT-related taxes.

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About BSA

The Business Software Alliance (www.bsa.org) is the foremost organization 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 programs foster technology innovation through education and policy initiatives that promote copyright protection, cyber security, trade and e-commerce.

BSA members include:

Adobe, Altium, Apple, Autodesk, Avid, Bentley Systems, Centennial Software, CNC, Corel, Mamut, Mathworks, Microsoft, Mindjet, Monotype, O&O, Quark, Scalable Software, Siemens, PLM Software, Solidworks, Symantec, Tekla

About IDC

IDC is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 900 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 90 countries worldwide. For more than 43 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. You can learn more about IDC by visiting www.idc.com.