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## **ArcSight Named a Leading Vendor in Key Segments of the Security and Vulnerability Management Software Market by Leading Market Research Firm**

*ArcSight Leads SIEM Market and Ranks Second in Security Management Software Market*

**CUPERTINO, CA. – December 2, 2008** – [ArcSight](#), Inc. (NASDAQ: ARST), a leading global provider of compliance and security management [solutions](#) that protect enterprises and government agencies, today announced that analyst firm IDC has identified it as the leading vendor in the security information and event management software (SIEM) market. IDC ranked ArcSight as the top vendor in the SIEM market, and placed the company second in the security management software category. ArcSight also placed fifth in the overall security and vulnerability management (SVM) market.

The company holds an 18.6 percent share of total market revenue in SIEM in 2007. These figures were reported in the IDC market analysis titled “Worldwide Security and Vulnerability Management Software 2008-2012 Forecast and 2007 Vendor Shares: Making Security Smart.”<sup>1</sup>

The IDC report also placed ArcSight among the top vendors in broader security market categories:

- ArcSight ranked second in the security management software market, a segment of the SVM market that encompasses SIEM, with a 5.6 percent market share in 2007
- ArcSight ranked fifth in the SVM software market, with a market share of 4.1 percent in 2007

“The IDC report reinforces our belief that ArcSight is well on the way to meeting our goal of becoming a leading vendor not just in the SIEM market, but also in the larger security management software market,” said Tom Reilly, president and CEO, ArcSight. “Sales have been strong, and we’ve continued to expand our line in 2008 with well-received products and capabilities such as IdentityView and Logger 3.0. We believe that ArcSight will gain an even larger share of both the SIEM and overall SVM markets by the end of 2008.”

### **Market “Full of Opportunity”**

“Given the rising importance of risk management, government regulations, and exposure through vulnerabilities, the security and vulnerability management software market is full of opportunity,” the IDC report states. “Going forward, for the SVM software market to continue growing at nearly 20% annually, vendors must continue to make security smart.” The report noted that in the SIEM market “an ever growing set of security data has to be processed to find the critical information amongst a huge set of data.”

“We believe that ArcSight is well positioned to take advantage of the substantial growth of the SIEM market anticipated by IDC,” said Reilly. “We plan to continue to increase the scope of enterprise events that our products can process, including event activity from applications, databases and identity management systems. Plus, we expect to bring SIEM solutions to smaller organizations and branch offices, which further increases our addressable market.”

### **ArcSight Products**

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<sup>1</sup> IDC, Worldwide Security and Vulnerability Management Software 2008-2012 Forecast and 2007 Vendor Shares: Making Security Smart, Doc # 214144, September 2008

The ArcSight Security Information and Event Management (SIEM) Platform is an integrated set of products for collecting, managing, and analyzing event log data. The products can be deployed separately or in combination to address the different needs of organizations in different industries and of different sizes.

#### **About ArcSight**

ArcSight (NASDAQ: ARST) is a leading global provider of compliance and security management solutions that protect enterprises and government agencies. ArcSight helps customers comply with corporate and regulatory policy, safeguard their assets and processes, and control risk. The ArcSight platform collects and correlates user activity and event data across the enterprise so that businesses can rapidly identify, prioritize, and respond to compliance violations, policy breaches, cybersecurity attacks, and insider threats. For more information, visit [www.arcsight.com](http://www.arcsight.com).

#### **Cautionary Statement Regarding Forward Looking Statements**

This news release contains forward-looking statements, including without limitation those regarding the belief of ArcSight that it is well on the way to meeting its goal of becoming a leading vendor in the larger security management software market; the belief of ArcSight that it will gain an even larger share of both the SIEM and overall SVM markets by the end of 2008; the belief of ArcSight that it is well positioned to take advantage of the substantial growth of the SIEM market anticipated by IDC; ArcSight's plans to continue to increase the scope of enterprise events that its products can process; and ArcSight's expectation that it will increase its addressable market by bringing SIEM solutions to smaller organizations and branch offices. These forward-looking statements are subject to material risks and uncertainties that may cause actual results to differ substantially from expectations. Investors should consider important risk factors, which include: the risk that demand for security information and event management software may not increase and may decrease; the risk that the growth of ArcSight and of the SIEM and SVM markets may not increase and may decrease; the risk that ArcSight's product development efforts do not achieve anticipated results; the risk that the market share of competitors of ArcSight increases; the risk that ArcSight's solutions are accepted by smaller organizations at a lower-than-anticipated level, if at all; and other risks detailed under the caption "Risk Factors" in the ArcSight Quarter Report on Form 10-Q filed with the Securities and Exchange Commission, or the SEC, on September 15, 2008 and the company's other filings with the SEC. You can obtain copies of the Quarterly Report on Form 10-Q and its other SEC filings on the SEC's website at [www.sec.gov](http://www.sec.gov).

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