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Press Release

Gartner Says Asia/Pacific and EMEA Regions Drove Third-Quarter PC Shipments While U.S. Market Experienced Weaker-Than-Expected Results

For the First Time, Mobile PCs Accounted for More Than 50 Percent of Shipments in the United States

STAMFORD, Conn., October 17, 2007 — Worldwide PC shipments totaled 68.5 million units in the third quarter of 2007, a 14.4 percent increase from the same period last year, according to Gartner, Inc. PC shipments in Asia/Pacific and Europe, the Middle East and Africa (EMEA) increased 23.4 percent and 16.4 percent, while PC shipments in the United States grew 4.7 percent (below Gartner's forecast of 6.7 percent growth).

"The consumer PC market continues to drive worldwide PC market growth," said Mikako Kitagawa, principal analyst for Gartner's Client Computing Markets group. "Back-to-school sales were a major growth factor in mature regions, although U.S. sales were softer than expected. The popularity of mobile PCs in the home market continues to propel growth."

Hewlett-Packard retained the No. 1 position in the worldwide PC market (see Table 1), maintaining five consecutive quarters in the top position. Hewlett-Packard's growth in the worldwide market was well above the worldwide average. Gartner's preliminary results show that Hewlett-Packard's growth rate exceeded regional growth averages across all regions.

Dell achieved its first worldwide shipment increase in four quarters, but its growth rate was well below the worldwide average. Its EMEA and Asia/Pacific results were positive, but it continued to struggle in the U.S. market.

Table 1
Preliminary Worldwide PC Vendor Unit Shipment Estimates for 3Q07 (Thousands of Units)

Company	3Q07 Shipments	3Q07 Market Share (%)	3Q06 Shipments	3Q06 Market Share (%)	3Q06-3Q07 Growth (%)
HP	12,845	18.8	9,648	16.1	33.1
Dell	9,856	14.4	9,521	15.9	3.5
Acer	5,545	8.1	3,509	5.9	58.0
Lenovo	5,480	8.0	4,462	7.5	22.8
Toshiba	3,018	4.4	2,461	4.1	22.6
Others	31,718	46.3	30,223	50.5	4.9
Total	**68,462**	**100.0**	**59,825**	**100.0**	**14.4**

Note: Data includes desk-based PCs, mobile PCs and x86 servers.
Source: Gartner (October 2007)

Acer's shipments grew 58 percent, and by virtue of its Gateway acquisition, Acer should move further ahead of Lenovo next quarter. Lenovo experienced another quarter of exceeding the worldwide growth average. Asia/Pacific was the major driver of Lenovo's overall growth. But Lenovo also performed well in the U.S. market and grew around the market average in the EMEA region.

In the United States, mobile PC growth continued to lead the overall growth. For the first time, mobile PC unit volume exceeded desk-based PC unit volume in the third quarter of 2007. However, both the home and professional markets registered weaker-than-expected growth.

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"Economic uncertainty around the subprime mortgage lending and lower consumer confidence may have played a role in challenges vendors faced in the U.S. market," Ms. Kitagawa said. "The third quarter is typically a consumer quarter, driven by back-to-school sales. However, the preliminary results show that back-to-school sales were softer than expected in the U.S. market."

Dell was able to maintain the No. 1 position in the U.S. market (see Table 2), although its year-over-year growth rate was well below the U.S. average. The decline was mainly attributed to weaker consumer growth.

Table 2
Preliminary U.S. PC Vendor Unit Shipment Estimates for 3Q07 (Thousands of Units)

Company	3Q07 Shipments	3Q07 Market Share (%)	3Q06 Shipments	3Q06 Market Share (%)	3Q06-3Q07 Growth (%)
Dell	4,833	29.1	5,113	32.3	-5.5
HP	4,260	25.7	3,656	23.1	16.5
Apple	1,338	8.1	975	6.2	37.2
Toshiba	945	5.7	813	5.1	16.3
Gateway	865	5.2	1,011	6.4	-14.4
Others	4,344	26.2	4,269	27.0	1.7
Total	**16,585**	**100.0**	**15,837**	**100.0**	**4.7**

Note: Data includes desk-based PCs, mobile PCs and x86 servers.
Source: Gartner (October 2007)

In EMEA, PC shipments totaled 22.1 million units in the third quarter of 2007, a 16.4 percent increase from the same period last year. Shipments in this quarter were higher than the first or second quarters of 2007, showing the seasonal increase in demand for back to school and related promotions. The growth in the mobile PC market continued unabated as adoption continues in mature and emerging markets.

Table 3
Preliminary EMEA PC Vendor Unit Shipment Estimates for 3Q07 (Thousands of Units)

Company	3Q07 Shipments	3Q07 Market Share (%)	3Q06 Shipments	3Q06 Market Share (%)	3Q07-3Q06 Growth (%)
Hewlett-Packard	4,431	20.0	3,297	17.4	34.4
Acer	3,201	14.5	2,078	10.9	54.0
Dell Inc.	2,379	10.8	2,080	10.9	14.4
Toshiba	1,134	5.1	857	4.5	32.3
Fujitsu/Fujitsu Siemens	1,132	5.1	1158.6	6.1	-2.3
Others	9,840	44.5	9,532	50.2	3.2
Total	**22,118**	**100.0**	**19,002**	**100.0**	**16.4**

Note: Data includes desk-based PCs, mobile PCs and X86 servers.
Source: Gartner (October 2007)

“PC shipments in EMEA grew above expectations,” said Ranjit Atwal, principal analyst for Gartner’s Client Computing Markets Group in EMEA.” Given the current economic uncertainty, it did not stop businesses and consumers purchasing PCs; this reflects the changing status of the PC from a luxury purchase to one of necessity.”

The top five vendors continued to increase their share to more than half of the EMEA market. “Hewlett-Packard reached 20 per cent market share of the EMEA PC market for the first time and now ships one in every five PCs sold in the region,” Mr. Atwal added. Its strong performance in the consumer and small business segments helped the company take share from under-performing vendors like Dell and FSC.

Acer had another strong quarter shipping more than three million units for the first time in a third quarter of a year. As a result, the company exhibited the strongest growth with more than 50 percent year-on-year growth.

Dell is showing signs of recovery with year-on-year growth close to the market average. Dell compensated its weak performance in the desktop segment with strong mobile PC results. Dell’s revamped brand portfolio has provided the internal focus the company requires to grow individually large accounts, SMB and consumer segments.

The consolidation activity has had little effect on the vendor’s performance this quarter and Gartner expects the PC market in EMEA to continue to exhibit double digit growth in the fourth quarter of 2007.

PC shipments in Asia/Pacific totaled 18.7 million units, a 23.4 percent increase from a year ago. The region was driven by strong sales in China and India. Taiwan and South Korea also enjoyed better-than-anticipated PC shipment levels due to demand from the government and education segments, as well as continued strong uptake from the consumer market.

In Latin America, PC shipments reached 5.9 million units, a 23.9 percent increase from the third quarter last year. Mobile PC adoption continued to exceed expectations as vendors, including local brands, reported higher sales of these systems. The consumer mobile PC segment is expected to record 90 percent growth for the quarter.

In Japan, PC shipments in the third quarter totaled 3.4 million units, a 1.5 percent decline from the same period last year. The professional market declined 3 percent, while the home market showed a 1 percent increase.

These results are preliminary. Final statistics will be available soon to clients of Gartner's PC Quarterly Statistics Worldwide by Region program. This program offers a comprehensive and timely picture of the worldwide PC market, allowing product planning, distribution, marketing and sales organizations to keep abreast of key issues and their future implications around the globe. Additional research can be found on Gartner's Computing Hardware section on Gartner's Web site at http://www.gartner.com/it/products/research/asset_129157_2395.jsp.

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