

Gartner Says Western Europe PC Market Saw Flat Growth in First Quarter 2009

- **UK Saw Weakest Performance**
- **Apple Debuted in UK Top Five**

Egham, UK, 6 May 2009 - PC shipments in Western Europe totalled 15.3 million units in the first quarter of 2009, a 0.7 per cent increase from the same period in 2008, according to Gartner, Inc.

Of the leading Western European countries, the UK was the weakest while France and Germany saw low single-digit growth. "If it had not been for the mini notebooks, all of Western Europe would have seen a bigger decline in shipments," said Ranjit Atwal, principal analyst at Gartner, based in the UK.

In the first quarter of 2009, the professional market declined more than 20 per cent year-on-year as businesses clearly refrained from buying and subsequently extended their PC lifecycles. "This is a clear indication of the trend that we will see in other countries through 2010," added Mr Atwal. The consumer market remained buoyant driven by strong mini notebook demand, and numerous vendors increased their mini notebook shipments during the quarter."

Acer continued to grow despite the tough environment with strong mini notebook shipments in retail and the telco channel, while HP maintained its leading position with 1.2 per cent year-on-year growth (see Table 1). Dell faced the impact of the slowdown with over exposure to the three weakest elements of the market: the UK market, the professional and overall desktop markets.

Table 1
Western Europe PC Vendor Unit Shipment Estimates for 1Q09 (Thousands of Units)

Company	1Q09 Shipments	1Q09 Market Share (%)	1Q08 Shipments	1Q08 Market Share (%)	1Q09-1Q08 Growth (%)
Hewlett-Packard	3,492	22.8	3,451	22.7	1.2
Acer	3,384	22.1	2,571	16.9	31.6
Dell Inc.	1,627	10.6	2,088	13.7	-22.1
Toshiba	1,037	6.8	862	5.7	20.3
ASUS	729	4.8	509	3.3	43.4
Others	5,053	33.0	5,732	37.7	-10.1
Total	15,323	100.0	15,214	100.0	0.7

Note: Data includes desk-based PCs and mobile PCs
Source: Gartner (April 2009)

UK: Apple Made Its Debut in Top Five

PC shipments in the UK totalled 3 million units in the first quarter of 2009, a decline of 5.1 per cent compared with the same period in 2008 (see Table 2). As expected, the PC market showed negative growth with the professional market declining rapidly. Dell saw its market share decline due to a rapid slowdown in the desktop professional market. Acer's shipments increased 40.6 per cent due to its strong performance with mini notebooks. Apple made its debut in the top five replacing Fujitsu Siemens, with market share of nearly 5 per cent.

Table 2**United Kingdom PC Vendor Unit Shipment Estimates for 1Q09 (Thousands of Units)**

Company	1Q09 Shipments	1Q09 Market Share (%)	1Q08 Shipments	1Q08 Market Share (%)	1Q09-1Q08 Growth (%)
Hewlett-Packard	667	22.2	715	22.6	-6.8
Dell Inc.	610	20.3	779	24.6	-21.7
Acer	506	16.8	360	11.4	40.6
Toshiba	273	9.1	254	8.0	7.7
Apple Computer	143	4.8	135	4.3	6.6
Others	809	26.9	928	29.3	-11.1
Total	3,010	100.0	3,172	100.0	-5.1

Note: Data includes desk-based PCs and mobile PCs
Source: Gartner (April 2009)

France: PC Market Resisted Slowdown with Continued Growth in Consumer Market

PC shipments in France totalled 2.5 million units in the first quarter 2009, an increase of 3.2 per cent compared with the same period in 2008 (see Table 3). In the first quarter of 2009, the consumer market grew strongly. The professional market declined 9 per cent, with professional desktop shipments declining 19 per cent year-on-year.

“The overall market was driven by strong mobile PC sales that accounted for 64 per cent of total PC shipments,” said Isabelle Durand, principal analyst at Gartner, based in France. “Volumes increased by 18 per cent compared with the first quarter of 2008. In the first quarter of 2009, Gartner estimates that 253,000 mini notebooks were shipped in France, representing 16 per cent of total mobile PCs. In addition, the top five PC mobile vendors shipped 75 per cent of all mobile PCs in the first quarter of 2009.”

Acer maintained its leadership and increased its share by 2.4 percentage points in the first quarter of 2009. Acer continued to achieve strong results in the mobile PC market, with a 30 per cent increase year-on-year. Acer’s growth was mainly driven by its consistent performance in mini notebooks, where the company gained the No. 1 position.

Toshiba defied the market and recorded the highest growth rate in both professional and consumer markets. “Toshiba won an education deal during the quarter that helped its performance on the professional market. In addition, Toshiba focused its strategy on consumer mobile PCs and the retail market, and controlled its inventory very well,” added Ms Durand.

Dell saw its market share shrink further during the quarter and was also the worst performing vendor among the top five. The company’s performance was weighted down by its heavy reliance on the professional segment and poor results on the consumer market. Among the other vendors, ASUS and Samsung ranked No. 6 and No. 7 respectively.

In the mobile PC market, ASUS struggled to maintain growth especially with its mini notebook sales as a result of some inventory remaining from the fourth quarter 2008, in particular from its telco channel. ASUS lost the No. 5 position to Samsung as it experienced a 10 per cent decline in the mobile PC market. It was also unable to counteract Samsung’s strong competition in this segment.

“The PC market in France resisted the slowdown with demand for consumer PCs and mobile PCs remaining buoyant in the first quarter 2009, however we expect to see weaker results in the second quarter of 2009,” concluded Ms Durand.

Table 3**France PC Vendor Unit Shipment Estimates for 1Q09 (Thousands of Units)**

Company	1Q09 Shipments	1Q09 Market Share (%)	1Q08 Shipments	1Q08 Market Share (%)	1Q09-1Q08 Growth (%)
Acer	657	26.5	555	23.1	18.3
Hewlett-Packard	566	22.9	568	23.7	-0.4
Dell Inc.	249	10.0	310	12.9	-19.8
Toshiba	173	7.0	130	5.4	32.7
Lenovo	119	4.8	101	4.2	18.3
Others	713	28.8	735	30.6	-3.1
Total	2,477	100.0	2,401	100.0	3.2

Note: Data includes desk-based PCs and mobile PCs
Source: Gartner (April 2009)

Germany: PC Consumer Market Continued to Defy Economic Downturn

PC shipments in Germany totalled 3 million units in the first quarter of 2009, an increase of 4.5 per cent compared with the same period in 2008 (see Table 4).

“The PC market in Germany has defied the EMEA (Europe, Middle East and Africa) PC market that declined 9.5 per cent in the first quarter of 2009,” said Meike Escherich, principal analyst at Gartner, based in the UK. “Demand for consumer PCs during the first quarter remained healthy with 18 per cent growth year-on-year, driving the overall PC market growth in Germany. However, we have not seen the full impact of the recession yet, and the market will approach the second half of the year more cautiously.”

In the first quarter of 2009, PC shipments in Germany were driven by the continued uptake of mini notebooks. In the first quarter of 2009, Gartner estimates that 374,000 units of mini notebooks were shipped in Germany. Mobile PCs (excluding mini PCs) declined 4 per cent year-on-year. However, the total mobile PC market accounted for 63 per cent of all PC shipments in the first quarter of 2009, with volumes increasing 17 per cent year-on-year.

Desktop PCs declined 12 per cent despite the entry of some new All-in-One low cost PCs in the market. “Increased competition in the All-In-One space is expected in 2009,” said Ms Escherich. “Many PC vendors are launching their All-in-One low cost models, and these products could be attractive in this recession. They could help the declining desktop consumer market return to growth.”

In the first quarter of 2009, the professional market declined 8 per cent, with desktops particularly affected. “We estimate that around 20 per cent of necessary desktop replacements will be delayed beyond 2009. While Windows 7 is expected by the end of 2009, we do not believe its launch will be a catalyst for PCs. Unlike Vista, Windows 7 does not appear to require any additional computing power,” said Ms Escherich.

Acer gained the No. 1 position as a result of aggressively priced PCs. It continued to achieve positive results in the mini notebook market with 30 per cent market share, and it also grew 26 per cent in the desktop market. Medion held No. 3 position as a result of strong performance with its distribution of mini notebooks through ALDI. FSC lost market share year-on-year and under performed especially in the mobile PC market, with volumes declining 59 per cent.

Table 4**Germany PC Vendor Unit Shipment Estimates for 1Q09 (Thousands of Units)**

Company	1Q09 Shipments	1Q09 Market Share (%)	1Q08 Shipments	1Q08 Market Share (%)	1Q09-1Q08 Growth (%)
Acer	558	18.5	326	11.3	71.3
Hewlett-Packard	375	12.5	375	13.0	0.0
Medion	272	9.0	256	8.9	6.3
FSC	258	8.6	436	15.1	-40.8
Dell	231	7.7	260	9.0	-11.2
Others	1,319	43.7	1,229	42.7	7.3
Total	3,013	100.0	2,882	100.0	4.5

Note: Data includes desk-based PCs and mobile PCs

Source: Gartner (April 2009)

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