Gartner | **Press Release**

Gartner Says Western Europe PC Market Grew 19 Per Cent in First Quarter 2010

- ***The Three Major Countries in Europe Exhibited Double-Digit Growth***
- ***In First Quarter 2010, Acer Moved to No. 1 Position in Western Europe***

Egham, UK, 17 May 2010 — PC shipments in Western Europe totalled 18.1 million units in the first quarter of 2010, a 19.4 per cent increase from the same period in 2009, according to Gartner, Inc.

"Western Europe recovered quicker than expected from the weak performance experienced in 2009," said Ranjit Atwal, principal analyst at Gartner, based in the UK. "In the first quarter of 2010, the PC market defied the economic conditions as consumers continued to purchase PCs to the detriment of other consumer electronic products."

In the first quarter of 2010, the Western European market exhibited strong growth, although that growth rate is based on a weak first quarter in 2009. The consumer PC market continued to drive growth and, despite further economic issues in Greece, consumers continued to purchase mobile PCs. The mini-notebook market continued to be significant, retaining 20 per cent of the mobile PC market. "The shift to the next Intel mobile road map also drove demand, as products were renewed and new marketing efforts were put in place by vendors and Intel," said Mr Atwal.

The professional PC market saw better demand, with growth almost flat as aging PCs were replaced, but the impact of Windows 7 remains to be seen in the second half of the year.

The battle for first position continued. Acer moved to the No. 1 position with 23.4 per cent market share in the first quarter of 2010 (see Table 1). Acer continued to show strong growth in the consumer market with both desk-based all-in-one products supporting mobile and mini-notebook growth. Asus showed the strongest growth of the top five vendors this quarter and almost doubled its PC shipments.

"With both consumer and professional markets experiencing stronger growth in the first quarter of 2010, we expect the PC market in Western Europe to sustain growth," said Mr Atwal

Table 1
Western Europe PC Vendor Unit Shipment Estimates for 1Q10 (Thousands of Units)

Company	1Q10 Shipments	1Q10 Market Share (%)	1Q09 Shipments	1Q09 Market Share (%)	1Q10-1Q09 Growth (%)
Acer	4,216	23.4	2,931	19.4	43.8
HP	4,088	22.6	3,492	23.1	17.1
Dell	1,811	10.0	1,627	10.8	11.3
Asus	1,432	7.9	729	4.8	96.4
Toshiba	1,069	5.9	1,037	6.9	3.1
Others	5,441	30.2	5,305	35.0	2.6
Total	**18,057**	**100.0**	**15,121**	**100.0**	**19.4**

Note: Data includes desk-based PCs and mobile PCs
Source: Gartner (April 2010)

UK: After a Weak Performance in 2009, the PC Market Showed Double-Digit Shipment Growth

PC shipments in the UK totalled 3.35 million units in the first quarter of 2010, a 14.5 per cent increase compared with the same period in 2009 (see Table 2).

“The UK market exhibited the weakest PC growth of the major countries in Western Europe in 2009,” said Mr Atwal. “Whilst the recovery in the first quarter is positive, it was driven by strong consumer demand. The professional market continued to under perform and saw a double-digit decline.”

In the first quarter of 2010, the consumer market saw PC shipments grow 50 per cent. Retailers have been replenishing inventory as confidence returned to the market. “Vendors and the PC channel realised that consumers are seeing the PC as much more of a necessity. This is shown by not only most households having a PC, but each person wanting their own PC,” said Mr Atwal.

The professional PC market was still weak as the economic environment remained poor. “However, we expect this market to recover as spending on PCs is a top priority for most UK organisations, driven by the replacement of aging PCs and the migration to Windows 7,” said Mr Atwal.

All vendors in the top five exhibited growth in the first quarter of 2010. HP retained the No. 1 position, and despite strong growth, Acer remained in the No. 3 position. HP saw robust growth in the consumer market shipping nearly one in every five consumer PCs. After a poor performance in 2009, Dell saw some relative signs of recovery, with a renewed push into the mini-notebook market. Of the top five vendors, Samsung showed the strongest growth in the first quarter doubling its PC shipments from a year ago, as a result of strong sales of mini-notebooks.

Table 2
United Kingdom PC Vendor Unit Shipment Estimates for 1Q10 (Thousands of Units)

Company	1Q10 Shipments	1Q10 Market Share (%)	1Q09 Shipments	1Q09 Market Share (%)	1Q10-1Q09 Growth (%)
HP	709	21.1	667	22.7	6.3
Dell	620	18.5	610	20.8	1.6
Acer	550	16.4	439	14.9	25.5
Toshiba	291	8.7	274	9.3	6.6
Samsung Electronics	224	6.7	102	3.5	119.1
Others	962	28.6	845	28.8	13.7
Total	**3,356**	**100.0**	**2,937**	**100.0**	**14.3**

Note: Data includes desk-based PCs and mobile PCs
Source: Gartner (April 2010)

France: PC Market Returned to Double-Digit Growth Earlier than Expected

PC shipments in France totalled 3.1 million units in the first quarter of 2010, an increase of 31 per cent compared with the same period in 2009 (see Table 3).

“This quarter, the PC market in France performed better than anticipated and France achieved the best performance of the top three major countries in Europe,” said Isabelle Durand, principal analyst at Gartner, based in France. “Although the PC market in France exhibited strong growth in the first quarter of 2010, we need to recognise that this is growth from a low base.”

The mobile PC market accounted for 69 per cent of total PC shipments in the first quarter of 2010, with PC shipments increasing 44 per cent year-on-year. Deskbound PCs showed signs of recovery and grew 7 per cent. “The growth in the desktop segment can be mainly attributed to the high demand for all-in-one desktop models,” said Ms Durand. “They are becoming a specific form factor in the deskbound segment and represented almost 10 per cent of all deskbound shipments in the first quarter of 2010.”

In the first quarter, the consumer PC market remained healthy with 50 per cent growth. The market was boosted by very strong mobile consumer demand reaching 64 per cent growth year-on-year. The demand came mainly from mainstream notebooks and not at the expense of mini-notebook shipments. “The channel pushed Intel’s new Core I CPUs into the market, and that led to a refresh of major notebook offerings,” said Ms Durand. Mini-notebooks continued to retain 19 per cent share of all mobile PCs shipped in France. The professional PC market has started to experience growth at 6 per cent year-on-year, with demand gradually improving in the SMB market.

Acer retained the No. 1 position and returned to growth in the desktop segment. HP had a strong quarter and did particular well in the mobile consumer market. Asus was the fastest growing PC vendor among the top five vendors, and as a result moved to the No. 3 position. Asus continued to apply an aggressive pricing strategy. Dell moved down to the No. 4 position and lost share in detriment of Asus. “The good volumes experienced in the consumer segment by Dell did not manage to counterbalance the poor demand from the professional PC market,” said Ms Durand.

“We expect the PC market in France will continue to perform well in the second quarter of 2010, however volumes should be lower than in the first quarter mainly due to seasonality,” said Ms Durand.

Table 3
France PC Vendor Unit Shipment Estimates for 1Q10 (Thousands of Units)

Company	1Q10 Shipments	1Q10 Market Share (%)	1Q09 Shipments	1Q09 Market Share (%)	1Q10-1Q09 Growth (%)
Acer	776	24.6	567	23.4	36.9
HP	770	24.4	566	23.5	36.0
Asus	332	10.5	117	4.9	182.7
Dell	301	9.5	249	10.3	20.8
Toshiba	209	6.6	173	7.2	21.0
Others	768	24.3	745	30.8	3.1
Total	**3,156**	**100.0**	**2,417**	**100.0**	**30.6**

Note: Data includes desk-based PCs and mobile PCs
Source: Gartner (April 2010)

Germany: PC Market Grew 14 Per Cent in First Quarter of 2010

PC shipments in Germany totalled 3.3 million units in the first quarter of 2010, an increase of 14.3 per cent compared with the same period in 2009 (see Table 4).

“Although the PC market experienced double-digit growth in the first quarter of 2010, we need to remain cautious for two reasons, “said Meike Escherich, principal analyst at Gartner. “First, the growth rate is based on a weak first quarter in 2009. Second, in times of market transition, quarter-on-quarter growth provides a more accurate picture of the market. PC volumes in the first quarter of 2010 were 20 per cent lower than in the fourth quarter of 2009 and almost the same as in the third quarter of 2009, when Germany was still in the downturn and the recovery had just begun.”

The PC market in Germany continued to be driven by strong growth in the mobile PC market, with an increase of 25 per cent in the first quarter of 2010, while desktop demand declined 4 per cent year-on-year. The share of mini-notebooks stabilised in the first quarter of 2010 and one in every five notebooks purchased in Germany was a mini-notebook. The professional PC segment showed early signs of recovery with an increase of 8 per cent year-on-year.

The strength of the consumer PC market, which exhibited a 20 per cent increase in the first quarter of 2010, was once again reflected in vendor performances. Asus increased its market share further and moved to the No. 2 position in both the mobile and consumer segments. HP maintained its lead in the desktop segment but is still two percentage points behind Acer in the professional segment, and 10 percentage points behind in the overall ranking. “Nevertheless, this could change in the second half of 2010, as the large enterprise segment returns to invest, which could help HP regain market share,” said Ms Escherich.

Ms Escherich concluded: “In volume terms, we expect the German PC market to return to pre-2009 growth levels this year, with end-user spending across all end-user segments also returning to almost 7 per cent annual growth.”

Table 4
Germany PC Vendor Unit Shipment Estimates for 1Q10 (Thousands of Units)

Company	1Q10 Shipments	1Q10 Market Share (%)	1Q09 Shipments	1Q09 Market Share (%)	1Q10-1Q09 Growth (%)
Acer	745	22.4	482	16.6	54.5
HP	426	12.8	374	12.9	13.7
Asus	293	8.8	163	5.6	79.7
Dell	274	8.3	231	7.9	18.4
Medion	246	7.4	272	9.3	-9.6
Others	1,332	40.3	1,380	47.7	-3.4
Total	**3,316**	**100.0**	**2,902**	**100.0**	**14.3**

Note: Data includes desk-based PCs and mobile PCs
Source: Gartner (April 2010)

About Gartner

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