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## Gartner Says Western Europe PC Market Declined 19 Per Cent in Second Quarter of 2011

- **UK PC Market Declined 15 Per Cent**
- **Fourth Consecutive Quarterly Decline for the PC Market in France**
- **PC Shipments in Germany Showed Second Consecutive Quarter of Double-Digit Decline**

Egham, UK, 17 August 2011 - PC shipments in Western Europe totalled 12.7 million units in the second quarter of 2011, a decline of 18.9 per cent from the same period in 2010, according to Gartner, Inc.

“The PC market in Western Europe suffered from weak demand in both the professional and consumer sectors, a market which also faced inventory issues caused by overstocking in 2010,” said Meike Escherich, principal analyst at Gartner.

The mobile PC market was particularly hit hard with a 20.4 per cent decline, as mini-notebook shipments decreased 53 per cent. Desktop PCs declined 15.4 per cent year-on-year.

“The much anticipated uptake in the professional segment, in the wake of migration to Windows 7, was subdued by the negative economic outlook,” said Ms Escherich. “PC shipments in the professional segment declined 9 per cent in the second quarter of 2011. The biggest decline continued to come from the consumer segment which decreased 27 per cent year-on-year.”

In the second quarter of 2011, Acer lost the No. 1 position as a result of significant inventory adjustments and a decrease in mini-notebook sales. Acer’s weak performance resulted in HP moving to the No. 1 position while Dell remained in the No. 3 position. Asus shipments declined 22.9 per cent as consumer demand remained weak and mini-notebook shipments fell rapidly.

“This quarter’s results highlights the ongoing weakness of consumer demand, and could indicate a structural change in the market that threatens to continue in the near future,” said Ms Escherich.

**Table 1**  
**Western Europe: PC Vendor Unit Shipment Estimates for 2Q11 (Thousands of Units)**

Vendor	2Q11 Shipments	2Q11 Market Share (%)	2Q10 Shipments	2Q10 Market Share (%)	2Q11-2Q10 Growth (%)
HP	3,171	25.1	3,376	21.6	-6.1
Acer Group	2,046	16.2	3,696	23.7	-44.6
Dell	1,371	10.8	1,571	10.1	-12.7
Asus	1,021	8.1	1,324	8.5	-22.9
Apple	879	7.0	875	5.6	0.5
Others	4161	32.8	4751	30.5	-12.4
<b>Total</b>	<b>12,649</b>	<b>100</b>	<b>15,593</b>	<b>100</b>	<b>-18.9</b>

Note: Data includes desk-based PCs and mobile PCs. Media tablets are excluded.  
 Source: Gartner (August 2011)

### UK: PC Shipments Fell Further Due to Acer's Steep Decline

PC shipments in the UK totalled 2.5 million units in the second quarter of 2011, a decline of 15 per cent compared with the same period in 2010 (see Table 2).

"Acer's decline of nearly 50 per cent in the second quarter pulled down the market further than expected," said Isabelle Durand, principal analyst at Gartner. "Acer had significant inventory that led to its weak performance, but it also prevented other vendors from pushing new shipments into the channel."

The poor performance of Acer this quarter does not mask the fact that the consumer market in the UK remained weak with a decline of more than 15 per cent in the second quarter of 2011. "Most consumers continue to hold back spending on PCs by extending life cycles on existing PCs and purchasing other devices," Ms Durand said.

The professional market remained weak with a decline of 13.5 per cent in the second quarter of 2011. The migration to Windows 7 and replacement of aging PCs continued to be muted by the negative economic outlook.

HP moved to the No. 1 position while Dell maintained the No. 2 position. Apple and Samsung were the only vendors in the top five vendors ranking to post single-digit growth.

"PCs are not attracting consumers' disposable income, particularly in light of alternative devices. While remaining an important device to consumers, there are few compelling technological reasons to drive PC replacements," said Ms Durand.

**Table 2**  
**United Kingdom PC Vendor Unit Shipment Estimates for 2Q11 (Thousands of Units)**

Company	2Q11 Shipments	2Q11 Market Share (%)	2Q10 Shipments	2Q10 Market Share (%)	2Q11-2Q10 Growth (%)
HP	530	21.6	594	20.5	-10.7
Dell	408	16.6	462	16.0	-11.8
Acer Group	341	13.9	648	22.4	-47.4
Samsung Electronics	181	7.4	172	5.9	5.2
Apple	170	6.9	168	5.8	1.0
Others	832	33.8	853	29.4	-2.4
<b>Total</b>	<b>2,462</b>	<b>100.0</b>	<b>2,897</b>	<b>100.0</b>	<b>-15.0</b>

Note: Data includes desk-based PCs and mobile PCs. Media Tablets are excluded.  
 Source: Gartner (August 2011)

### Fourth Consecutive Quarterly Decline for the PC Market in France

PC shipments in France totalled 2.3 million units in the second quarter of 2011, a decline of 17.8 per cent compared with the same period in 2010 (see Table 3).

"For the fourth consecutive quarter, the PC market in France showed decline," said Ms Durand. "It also exhibited the weakest PC growth of the three major countries in Western Europe in the second quarter of 2011."

The PC market in France performed below expectations and remained weak due to slow consumer demand and lower sell-in PC shipments. In addition, Acer's high inventory adjustments had a negative impact on the PC market in France.

The consumer market declined 33 per cent partly due to the rise in popularity of media tablets and smartphones, which impacted PC purchases.

The professional market increased 9 per cent in the second quarter of 2011 but volumes were not significant enough to compensate for the drop in consumer demand.

In the second quarter of 2011, the mobile PC market accounted for 67 per cent of total PC shipments in France, with volumes declining 18 per cent. Desktop PCs declined 18 per cent year-on-year. Of the total mobile segment, mini-notebook sales declined 49 per cent in the second quarter of 2011.

Apple made its entry in the top five PC vendors ranking in the second quarter, and it was the only top five vendors to exhibit shipment growth. It moved to the No. 5 position and displaced Toshiba. HP remained in the No. 1 spot achieving solid growth in the professional market, but it continued to face challenges in the consumer segment.

“The French PC market is expected to improve in the second half of 2011, with more attractive back-to-school promotions compared to a year ago and product refreshes,” said Ms Durand. “However, the availability of new media tablet models will lead to a price battle in the mobile market. Some level of government austerity measures due to the recent economic issues could also impact consumer confidence and spending in France.”

**Table 3**  
**France: PC Vendor Unit Shipment Estimates for 2Q11 (Thousands of Units)**

Company	2Q11 Shipments	2Q11 Market Share (%)	2Q010 Shipments	2Q10 Market Share (%)	2Q11-2Q10 Growth (%)
HP	671	28.8	740	26.1	-9.3
Acer Group	456	19.6	720	25.4	-39.6
Asus	255	10.9	332	11.7	-23.3
Dell	244	10.5	281	9.9	-13.4
Apple	134	5.8	126	4.5	6.4
Others	569	24.4	636	22.4	-10.4
<b>Total</b>	<b>2,329</b>	<b>100.0</b>	<b>2,835</b>	<b>100.0</b>	<b>-17.8</b>

Note: Data includes desk-based PCs and mobile PCs. Media tablets are excluded  
Source: Gartner (August 2011)

### Germany: PC Shipments Saw Second Consecutive Quarter of Double-Digit Decline

PC shipments in Germany totalled 2.4 million units in the second quarter of 2011, a decrease of 13.3 per cent compared with the same period in 2010 (see Table 4). The PC market in Germany exhibited its second consecutive quarter of double-digit shipment decline.

“The PC market in Germany is in a period of adjustment after exhibiting strong shipment growth of consumer PCs for several years,” said Ms Escherich. “For the second half of 2011, we expect to see a modest increase, rather than high double-digit annual growth patterns.”

The PC market continued to be hit by poor mobile PC sales that decreased 14 per cent in the second quarter of 2011. Desktop PC shipments declined 12 per cent in the quarter. The double-digit fall in mobile PC sales was mainly caused by a steep decline in mini-notebook shipments, which decreased 43 per cent in the second quarter of 2011.

HP continued to lead in the German PC market as it accounted for 13.3 per cent of PC shipments in the second quarter of 2011. Demand in the professional PC market has improved as organisations released

budgets to migrate aging PCs to Windows 7. HP in particular seemed to benefit from this upturn in the professional market.

Acer's problems stemmed from its low-price, high-volume business model, which is no longer effective. Further inventory clearance saw Acer's shipments decline 43 per cent, as a large number of mobile PCs were cleared out of distribution. Lenovo's takeover of Medion did not have any impact on the overall PC shipments this quarter, but the Chinese-based company is poised to gain market share in future.

"Given the hype around media tablets such as the iPad, retailers were very conservative in placing orders for PCs," said Ms Escherich. "Instead, many of them wanted to secure space for media tablets."

**Table 4**  
**Germany: PC Vendor Unit Shipment Estimates for 2Q11 (Thousands of Units)**

Company	2Q11 Shipments	2Q11 Market Share (%)	2Q10 Shipments	2Q10 Market Share (%)	2Q11-2Q10 Growth (%)
HP	445	18.3	332	11.8	33.8
Acer Group	294	12.1	516	18.4	-43.1
Dell	224	9.2	257	9.2	-12.9
Medion	220	9.0	230	8.2	-4.3
Asus	203	8.3	257	9.1	-20.9
Others	1,049	43.1	1,216	43.3	-13.8
<b>Total</b>	<b>2,434</b>	<b>100</b>	<b>2,808</b>	<b>100</b>	<b>-13.3</b>

Note: Data includes desk-based PCs and mobile PCs. Media tablets are excluded  
Source: Gartner (August 2011)

#### About Gartner

Gartner, Inc. (NYSE: IT) is the world's leading information technology research and advisory company. Gartner delivers the technology-related insight necessary for its clients to make the right decisions, every day. From CIOs and senior IT leaders in corporations and government agencies, to business leaders in high-tech and telecom enterprises and professional services firms, to technology investors, Gartner is a valuable partner to 60,000 clients in 11,500 distinct organizations. Through the resources of Gartner Research, Gartner Executive Programs, Gartner Consulting and Gartner Events, Gartner works with every client to research, analyze and interpret the business of IT within the context of their individual role. Founded in 1979, Gartner is headquartered in Stamford, Connecticut, U.S.A., and has 4,500 associates, including 1,250 research analysts and consultants, and clients in 85 countries. For more information, visit [www.gartner.com](http://www.gartner.com).

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