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# Press Release

FOR IMMEDIATE RELEASE

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## Gartner Says Western European PC Shipments Fell 16 Per Cent in Fourth Quarter of 2011

- **UK PC Market Exhibited Worst Decline in Five Quarters**
- **French PC Market Suffered Sixth Consecutive Quarterly Drop**
- **German PC Market Declined More Slowly Than Other Western European Markets**

Egham, UK, 7 February 2012 – PC shipments in Western Europe totalled 16.3 million units in the fourth quarter of 2011, a 16 per cent decline from the equivalent period in 2010, according to Gartner, Inc. For the year, PC shipments numbered 58.5 million units in Western Europe in 2011, also a 16 per cent decrease from 2010.

The PC market in Western Europe has suffered four consecutive quarters of shipment decline. "Despite aggressive pricing and special holiday deals for PCs, consumers' attention was caught by other devices, such as smartphones, media tablets and e-readers," said Meike Escherich, principal analyst at Gartner. "Even though we saw a drop in prices, consumer PC shipments could not match the levels of previous years."

In the fourth quarter of 2011, the PC markets of Italy, Greece, Portugal and Spain were particularly hard hit, with year-on-year PC demand declining 30 per cent and more. The mobile PC market in Western Europe declined 17.5 per cent during the quarter, while the region's desktop PC market decreased 12.1 per cent.

"Uptake of professional PCs for migrations to Windows 7 remained subdued due to the troubled economic outlook," said Ms Escherich. “PC shipments in the professional segment declined 13.5 per cent in the fourth quarter of 2011, but the consumer segment suffered a bigger decline, falling 18 per cent.”

HP not only maintained the No. 1 position for PC shipments in Western Europe, but it increased its lead over Acer, despite a shipment decline of 15.7 per cent in the fourth quarter of 2011 (see Table 1). Acer continued to decline, but steadied its shipment volumes quarter-on-quarter. Dell struggled with slow demand from large organisations and the public sector, while Asus won several major deals in the retail channel, which raised its total.

"Asus has successfully shifted its portfolio from mini-notebooks to the mainstream and managed to outgrow the market," said Ms Escherich. Lenovo's growth was partly due to its acquisition of Medion in Germany, which helped it secure the No. 5 position. Lenovo offered very aggressive prices, which made Western Europe one of its key regions.

"The impact of the hard-disk drive shortage was minimal in the fourth quarter of 2011, with local vendors feeling most of the impact. If general market conditions continue to deteriorate, we expect hard-disk drive shortages to be just one of many contributors to overall PC market contraction in 2012," said Ms Escherich.

**Table 1**
**Western Europe: PC Vendor Unit Shipment Estimates for 4Q11 (Thousands of Units)**

| Vendor | 4Q11 Shipments | 4Q11 Market Share (%) | 4Q10 Shipments | 4Q10 Market Share (%) | 4Q10-4Q11 Growth (%) |
|---|---|---|---|---|---|
| HP | 3,612 | 22.2 | 4,287 | 22.1 | -15.7 |
| Acer | 2,176 | 13.4 | 4,041 | 20.8 | -46.1 |
| Asus | 1,879 | 11.5 | 1,850 | 9.5 | 1.5 |
| Dell | 1,718 | 10.5 | 1,899 | 9.8 | -9.5 |
| Lenovo | 1,416 | 8.7 | 1,243 | 6.4 | 13.9 |
| Others | 5,487 | 33.7 | 6,078 | 31.4 | -9.7 |
| **Total** | **16,288** | **100.0** | **19,398** | **100.0** | **-16.0** |

Note: Data includes desk-based PCs and mobile PCs. Media tablets are excluded.
Lenovo data includes historic Medion shipments.
Source: Gartner (February 2012)

## UK: PC Market Exhibited Worst Decline in Five Quarters

In the fourth quarter of 2011, shipments in the UK PC market totalled 2.9 million units, a decline of 19.6 per cent compared with the equivalent period in 2010 (see Table 2). This was the UK's fifth consecutive quarterly shipment decline, and also its worst decline in five quarters. In 2011, as a whole, the UK market declined 15.9 per cent, shrinking by nearly 2 million units from 2010.

"The UK market has been a prime illustration of the underlying weakness in PC demand across Western Europe," said Ranjit Atwal, research director at Gartner.

In the fourth quarter of 2011, the UK PC market was impacted by the economic upheaval and the growing popularity of smartphones, media tablets and e-readers. As a result, the consumer market continued to shrink, with a decline of more than 20 per cent year-on-year. The professional market was also weak as austerity measures hit the education segment. Mini-notebook shipments declined more than 50 per cent in the fourth quarter of 2011, indicating the final stage in a shift away from these devices by PC vendors (in the third quarter of 2009 these devices represented over 30 per cent of the UK's total mobile PC market).

Four of the top five vendors performed poorly. Only Apple achieved growth, which consolidated its hold on the No. 4 position. "PC vendors face a long, uphill struggle to regain the interest of consumers. The introduction of Ultrabooks in late 2011 is desperately needed," said Mr Atwal.

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

| Vendor | 4Q11 Shipments | 4Q11 Market Share (%) | 4Q10 Shipments | 4Q10 Market Share (%) | 4Q10-4Q11 Growth (%) |
|---|---|---|---|---|---|
| HP | 618 | 21.0 | 847 | 23.1 | -27.0 |
| Dell | 408 | 13.8 | 601 | 16.4 | -32.2 |
| Toshiba | 296 | 10.0 | 313 | 8.5 | -5.4 |
| Apple | 267 | 9.1 | 228 | 6.2 | 17.2 |
| Acer | 230 | 7.8 | 610 | 16.7 | -62.4 |
| Others | 1,127 | 38.3 | 1,065 | 29.1 | 5.8 |
| **Total** | **2,946** | **100.0** | **3,665** | **100.0** | **-19.6** |

Note: Data includes desk-based PCs and mobile PCs. Media tablets are excluded.
Source: Gartner (February 2012)

## France: PC Market Suffered Sixth Consecutive Quarterly Drop

PC shipments in France totalled 2.8 million units in the fourth quarter of 2011, a decline of 11.8 per cent compared with the equivalent period in 2010 (see Table 3). In 2011 as a whole, PC shipments numbered 10.4 million units, a 12 per cent decline from 2010.

"The PC market in France remained weak, with lower sell-in to the channel and a difficult economic environment that squeezed consumer spending," said Isabelle Durand, principal analyst at Gartner. As a result, the PC market in France recorded its sixth consecutive quarterly decline in shipments.

The consumer market declined 11.0 per cent in the fourth quarter of 2011 as demand for mini-notebooks was lower than in the same period in 2010. "The last quarter of the year is traditionally driven by growth in the consumer segment, but Christmas PC sales in France were disappointing as consumers spent their money on other devices, such as media tablets and smartphones," said Ms Durand. The professional market declined 13 per cent in the fourth quarter 2011, despite a number of deals being signed in the public sector.

In the fourth quarter of 2011, the mobile PC market accounted for 68 per cent of total PC shipments in France, while shipments declined 9.5 per cent. Desk-based PC shipments declined 16.5 per cent. Shipments of mini-notebooks decreased 36.6 per cent.

Of the top five vendors, only Asus and Apple grew in the fourth quarter 2011. Asus achieved the strongest growth and claimed the No. 2 position. HP regained the No. 1 position, while Acer's market share collapsed as demand for mini-notebooks diminished, causing it to fall to the third position.

"Overall, we expect the PC market to remain under pressure in the first half of 2012, and although shortages of hard-disk drives had only a limited impact in the fourth quarter of 2011, we expect substantial increases in average selling prices in the first quarter of 2012," said Ms Durand.

**Table 3**
**France: PC Vendor Unit Shipment Estimates for 4Q11 (Thousands of Units)**

| Vendor | 4Q11 Shipments | 4Q11 Market Share (%) | 4Q10 Shipments | 4Q10 Market Share (%) | 4Q10-4Q11 Growth (%) |
|---|---|---|---|---|---|
| HP | 696 | 25.2 | 709 | 22.6 | -1.8 |
| Asus | 405 | 14.7 | 345 | 11.0 | 17.4 |
| Acer | 397 | 14.4 | 729 | 23.3 | -45.5 |
| Dell | 316 | 11.4 | 364 | 11.6 | -13.2 |
| Apple | 226 | 8.2 | 196 | 6.3 | 15.3 |
| Others | 720 | 26.1 | 790 | 25.2 | -8.9 |
| **Total** | **2,762** | **100.0** | **3,133** | **100.0** | **-11.8** |

Note: Data includes desk-based PCs and mobile PCs. Media tablets are excluded
Source: Gartner (February 2012)

**Germany: Demand for PCs Fell Again but More Slowly Than in Other Western European Markets**

PC shipments in Germany totalled 3.6 million units in the fourth quarter of 2011, a decrease of 8.2 per cent compared with the equivalent period in 2010 (see Table 4). This was the sixth consecutive decline for the German PC market. In 2011 as a whole, PC shipments declined 11 per cent from 2010.

"Although PCs remain important devices for consumers, there are few compelling technological reasons for them to buy new ones, especially in times of economic uncertainty," said Ms Escherich.

The PC market in Germany continued to suffer from poor sales of mobile PCs. Mobile PC shipments ell 9.2 per cent in the fourth quarter of 2011. This decrease was steeper than that of the desk-based PC market, which declined 6 per cent.

After three difficult quarters, Acer regained the No. 1 position in the fourth quarter of 2011. Lenovo nearly doubled its shipments through the Medion acquisition, which helped it stay ahead of HP. Lenovo's ThinkPad line, which used to have a high price premium, is now available at very attractive prices. In the consumer sector, Lenovo continued to expand its retail presence with its IdeaPad line.

HP had to battle aggressive pricing from competitors and deal with weak consumer PC demand during the holiday season, but it remained the leader in the desk-based PC segment. Asus continued to expand its notebook line, replacing mini-notebooks with mainstream mobile PCs, but it was competing against its own very strong shipments from 2010. Dell secured several large enterprise and government deals. It was the only top-five vendor to increase its shipments, aided by its lower reliance on the consumer business.

"Despite a sixth consecutive quarter of declining shipments, Germany continued to outperform most other Western European markets," said Ms Escherich. "Two consecutive instances of quarter-on-quarter growth could indicate that the PC market in Germany is stabilising."

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

| Vendor | 4Q11 Shipments | 4Q11 Market Share (%) | 4Q10 Shipments | 4Q10 Market Share (%) | 4Q10-4Q11 Growth (%) |
|---|---|---|---|---|---|
| Acer | 577 | 16.0 | 795 | 20.2 | -27.5 |
| Lenovo | 514 | 14.2 | 514 | 13.1 | -0.1 |
| HP | 457 | 12.7 | 494 | 12.6 | -7.4 |
| Asus | 441 | 12.2 | 493 | 12.5 | -10.5 |
| Dell | 362 | 10.0 | 322 | 8.2 | 12.5 |
| Others | 1,263 | 34.9 | 1,320 | 33.4 | -4.3 |
| **Total** | **3,614** | **100.0** | **3,938** | **100.0** | **-8.2** |

Note: Data includes desk-based PCs and mobile PCs. Media tablets are excluded.
Lenovo data includes historic Medion shipments.
Source: Gartner (February 2012)

## About Gartner

Gartner, Inc. (NYSE: IT) is the world's leading IT 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, USA, and has 4,500 associates, including 1,250 research analysts and consultants, and clients in 85 countries. For more information, visit www.gartner.com.

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