HP Takes The Lead In U.S. PC Market As Consumer Shipments Beat Expectations, According to IDC

FRAMINGHAM, Mass., April 15, 2009 – While the economic crisis continues to unfold, low-cost Portable PCs continue to appeal to Consumers and support growth in the PC market. Worldwide PC shipments (including Desktop and Portable PCs, but excluding x86 Servers) were down 7.1% from Q1 of 2008 – slightly better than a projected decline of 8.2%, according to IDC's Worldwide Quarterly PC Tracker.

While concern over the global recession and the fear of rising unemployment continues to weigh on commercial spending and consumer confidence, PC demand has nevertheless remained somewhat resilient compared to the last downturn. Falling prices, fueled in part by Mini Notebook PCs and added efforts in channel development have helped to minimize the market contraction. The United States fared well, with shipments falling only 3% as HP, Acer, and Toshiba leveraged Portable sales into solid growth. EMEA and APeJ also came in slightly better than expected,

"Tight credit and economic concerns have certainly taken a toll on PC shipments in the last couple quarters, but the move to portables, fueled Mini Notebooks and falling prices has mitigated the impact.," said Loren Loverde, program director for IDC's Worldwide Quarterly PC Tracker. "Following a drawdown in inventory throughout the supply chain, we expect more stable production over the next couple quarters, with growth returning around the end of the year."

"The US PC market proved to be surprisingly resilient this quarter as notebooks were still seen as important purchases by many US consumers," says Bob O'Donnell, vice president clients and displays. "HP's dethroning of Dell as the US market share leader and extending it's worldwide market share lead is a testament to the company's solid record of business execution over the last several quarters and indicates Dell still faces some challenges in its efforts to reignite its business."

Regional Outlook -

- **United States** – The U.S. PC market fared better than expected, and breaking with tradition, even outperformed the global market and many emerging regions. The preliminary figures provide a glimmer of hope that consumer spending may not be as weak as predicted and opportunities for growth remain in key segments. Major vendors experienced some unexpected growth in the retail channel in the beginning of the year, as consumer spending on notebooks continued. Record low prices and the steady penetration of Mini Notebooks (including Netbooks) helped drive PC shipments. HP and Acer led the charge, both with remarkable double-digit growth. Desktop shipments suffered greatly, essentially affected by stalled demand in the enterprise market, a trend likely to continue as the economy remains in recession.
- **Europe, Middle East, and Africa (EMEA)** – EMEA recorded its first yearly decline since the 2001 recession. In line with forecasts, the CEE region remained the most affected while growth in Western Europe declined moderately considering the overall environment. Desktop sales continued to decline across the region. While portable PCs continue to drive demand, sales remained flat, aided by sustained demand for mini notebooks, particularly in Western Europe.
- **Japan** – Despite some signs of resilience at the end of last year, Japan ultimately succumbed to economic pressure like other regions. Mini Notebook PC adoption continued to grow, but commercial and Desktop volume continued to fall while consumers cut back on purchases of more expensive systems faster than expected.

- **Asia/Pacific excluding Japan (APeJ)** – Met expectations as most major countries came close to forecasts, balancing another sizable decline in India. Desktop shipments declined faster than expected, especially as commercial activity remain weak. Consumer portables were the main driver for the region, particularly in Greater China.

Vendor Highlights

- **HP** - grew 2.9% overall and claimed the #1 spot in the US. Sales were boosted by solid demand in Consumer notebooks, especially in United States and Japan, which saw double-digit growth in part from strong showing in the retail channel. Internationally, HP shipments were down just 1% from a year ago while the total market was down near 8%.
- **Dell** - had a tough quarter across the board, though it fared better in some emerging regions. A weak Commercial market resulted in faster declines in Desktops while its Portable sales struggled to address competition and the shift to low priced consumer systems. However, its recent alliance with Ingram Micro and Tech Data could pay dividends in short order.
- **Acer** – had a solid quarter with shipments increasing 7% from a year ago. The company continues to expand rapidly in the Americas. Growth remained positive, but slower than recent periods in EMEA and Asia. Acer is pushing quickly into large-screen Mini Notebooks, building on its success in this category.
- **Lenovo** - saw total growth in-line with the market as gains in Asia offset losses elsewhere. Lenovo shipments in APeJ were roughly flat from a year ago while the rest of the market saw declines. Although this reflects the company's stated focus on Asia, it risks letting other regions deteriorate. The company struggled through a management change in Japan, producing Lenovo's slowest growth, but Americas shipments were also down near 20% from a year ago.
- **Toshiba** - finished Q1 with 11.6% growth. Its continuing focus on Portable PCs contributed to share gains in every region. The company saw strong growth in the United States and APeJ, while growth in EMEA and Japan slowed.

Top 5 Vendors, Worldwide PC Shipments, First Quarter 2009 (Preliminary)

(Units Shipments are in thousands – excludes x86 Servers)

Rank	Vendor	1Q09 Shipments	Market Share	1Q08 Shipments	Market Share	1Q09/1Q08 Growth
1	HP	13,001	20.5%	12,634	18.5%	2.9%
2	Dell	8,651	13.6%	10,383	15.2%	-16.7%
3	Acer	7,333	11.6%	6,863	10.1%	6.8%
4	Lenovo	4,427	7.0%	4,811	7.0%	-8.0%
5	Toshiba	3,447	5.4%	3,090	4.5%	11.6%
	Others	26,601	41.9%	30,494	44.7%	-12.8%
	All Vendors	**63,460**	**100.0%**	**68,274**	**100.0%**	**-7.1%**

Source: IDC Worldwide Quarterly PC Tracker, April 15, 2009
Table notes follow the last table

Top 5 Vendors, United States PC Shipments, First Quarter 2009 (Preliminary)

(Units Shipments are in thousands – excludes x86 Servers)

Rank	Vendor	1Q09 Shipments	Market Share	1Q08 Shipments	Market Share	1Q09/1Q08 Growth
1	HP	4,130	27.6%	3,682	23.8%	12.2%
2	Dell	3,930	26.3%	4,689	30.4%	-16.2%
3	Acer	1,576	10.5%	1,389	9.0%	13.4%
4	Apple	1,130	7.6%	1,144	7.4%	-1.2%
5	Toshiba	987	6.6%	832	5.4%	18.7%
	Others	3,212	21.5%	3,706	24.0%	-13.3%
	All Vendors	**14,965**	**100.0%**	**15,441**	**100.0%**	**-3.1%**

Source: IDC Worldwide Quarterly PC Tracker, April 15, 2009

Table Notes:

Some IDC estimates prior to financial earnings reports.

Shipments include shipments to distribution channels or end users.

PCs include Desktop and Portable PCs.

PCs do not include x86 Servers or handhelds.

Data for all vendors are reported for calendar periods.

IDC's Worldwide Quarterly PC Tracker gathers PC market data in 55 countries by vendor, form factor, brand, processor brand and speed, sales channel and user segment. The research includes historical and forecast trend analysis as well as price band and installed base data.

For more information, or to subscribe to the research, please contact Kathy Nagamine at 650-350-6423 or knagamine@idc.com.

About IDC

IDC is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,000 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries. For more than 44 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company. You can learn more about IDC by visiting www.idc.com.

- # # # -

Contacts:
Loren Loverde

lloverde@idc.com
305-351-3115

Bob O'Donnell
bodonnell@idc.com
650-350-6482/650-224-2355

Michael Shirer
508-935-4200
press@idc.com