Gartner Says PC Shipments in Western Europe Grew 9.7 Per Cent in Fourth Quarter of 2007

Egham, UK, 12 February 2008 — PC shipments in Western Europe totalled 17.9 million units in the fourth quarter of 2007, an increase of 9.7 per cent compared with the same period in 2006. The Western European market saw slower growth in the fourth quarter 2007 compared with an overall average growth of nearly 12 per cent in 2007.

"Western Europe saw varied growth rates across the region," said Ranjit Atwal, principal analyst at Gartner, based in the UK. Southern European Countries, like Portugal and Spain, continued to exhibit strong growth above the Western European's average growth, while the more saturated Nordic region saw lower growth overall. The expected consumer boost normally associated with the fourth quarter was less pronounced especially in the consumer desk-based segment.

Table 1
Western Europe PC Vendor Unit Shipment Estimates for 4Q07 (Thousands of Units)

Company	4Q07 Shipments	4Q07 Market Share (%)	4Q06 Shipments	4Q06 Market Share (%)	4Q07-4Q06 Growth (%)
Hewlett-Packard	4,058	22.6	3,399	20.8	19.4
Acer	3,042	17.0	2,658	16.3	14.4
Dell Inc.	1,980	11.1	1,932	11.8	2.5
Fujitsu/Fujitsu Siemens	1,310	7.3	1,358	8.3	-3.6
Toshiba	995	5.6	762	4.7	30.6
Others	6,535	36.5	6,228	38.1	4.9
Total	**17,920**	**100**	**16,337**	**100**	**9.7**

Note: Data includes desk-based PCs and mobile PCs
Source: Gartner (January 2008)

UK: Desk-based market saw strong decline

PC shipments in the UK totaled 3.3 million units in the fourth quarter of 2007, an increase of 9.6 per cent compared with the same period in 2006. In 2007, PC shipments in the UK grew 11 per cent compared to 2006.

"The biggest casualty was the desk-based market that declined more than 15 per cent," Mr Atwal added. *"This was the result of weaker demand from the business segment."*

The dynamics in the consumer market were different as users purchased higher specifications rather than just concentrated on price. In general, PC sales in the retail sector were strong during the quarter but many retailers decided to reduce exposure to inventory going into 2008 as the economic environment continued to be uncertain.

Hewlett-Packard increased its market share in the fourth quarter of 2007 but experienced the same slowdown in the desk-based market.

Dell showed signs of recovery that helped it hold onto its market share levels. Dell also saw the benefits of a more focused product branding in the fourth quarter of 2007, especially in the business segment. In the first quarter of 2008, we expect Dell will drive new shipments into its retails' partners Dixons and Tesco.

Table 2

UK PC Vendor Unit Shipment Estimates for 4Q07 (Thousands of Units)

Company	4Q07 Shipments	4Q07 Market Share (%)	4Q06 Shipments	4Q06 Market Share (%)	4Q07-4Q06 Growth (%)
Hewlett-Packard	736	22.1	635	20.9	15.8
Dell Inc.	607	18.2	563	18.5	7.8
Acer	548	16.5	440	14.5	24.6
Toshiba	300	9.0	169	5.6	78.0
DSGi	138	4.1	62	2.1	120.7
Others	1,000	30.0	1,167	38.4	-14.3
Total	**3,329**	**100**	**3,037**	**100**	**9.6**

Note: Data includes desk-based PCs and mobile PCs
Source: Gartner (January 2008)

France: Lower demand in the consumer market

PC shipments in France totalled 2.8 million units in the fourth quarter of 2007, an increase of 6.6 per cent compared with the same period in 2006. In 2007, PC shipments in France grew 11.6 per cent compared to 2006.

"The weakness in consumer confidence and demand combined with high levels of PC inventory from the third quarter of 2007 contributed to a weaker performance than anticipated," said Isabelle Durand, principal analyst at Gartner, based in France.

Demand in mobile PCs accounted for 50.6 per cent of the total PC shipments with volumes increasing 18 per cent. For many vendors, demand in the desk-based market was weaker than expected and declined 3 per cent year-on-year.

"In the fourth quarter of 2007, the growth dynamic in the professional and consumer markets experienced some changes. The professional market grew 9.5 per cent, faster than the consumer market which due to high levels of desk-based PCs inventory in the retail sector, exhibited a 3.8 per cent growth," added Ms Durand.

Hewlett Packard maintained its leadership despite slight year-on-year decline due to low demand in desk-based PCs. Acer remained the leader in the mobile PC market and widened the gap with Hewlett Packard.

Dell declined but showed signs of recovery toward the end of the year. In addition, from the first quarter of 2008, Dell has started to sell beyond its traditional direct sales business model making its PCs available in retail partner Carrefour.

Packard Bell had a bad quarter and declined 5.2 per cent year-on-year. The company's performance has been affected by the decline in the desk-based market where its results were good a year ago. Packard Bell's strategy to pursue more premium positioning for its brand and focus on profitability resulted in a significant volume decline this quarter.

Toshiba had a very good quarter. It achieved 32.5 per cent year-on-year growth taking advantage of Hewlett-Packard' slowdown in the mobile PC market.

"We envisage a return of purchasing in the French professional market with some vista deployments in the second half of 2008 and some new purchasing projects taking place in the education sector. In the consumer market, it will be interesting to see the performance of Dell and Lenovo in the retail market since the top 5 PC vendors in the consumer market already accounts for 57 per cent of all consumers PC shipments in France," said Ms Durand.

Table 3
France PC Vendor Unit Shipment Estimates for 4Q07 (Thousands of Units)

Company	4Q07 Shipments	4Q07 Market Share (%)	4Q06 Shipments	4Q06 Market Share (%)	4Q07-4Q06 Growth (%)
Hewlett Packard	657	22.9	615	22.8	7.0
Acer	546	19.0	525	19.5	4.0
Dell Inc.	326	11.4	329	12.2	-0.7
Packard Bell	186	6.5	197	7.3	-5.2
Toshiba	159	5.5	120	4.4	32.5
Others	994	34.7	907	33.7	9.6
Total	**2,868**	**100**	**2,692**	**100**	**6.6**

Note: Data includes desk-based PCs and mobile PCs
Source: Gartner (January 2008)

Germany: Cautious consumer demand but healthy business investment

PC shipments in Germany totalled 3.4 million units in the fourth quarter of 2007, an increase of 7.2 per cent compared to the same period in 2006. The market was driven by strong mobile PCs sales, which accounted for 57 per cent of the total PC shipments, with volumes increasing 12 per cent compared to the fourth quarter of 2006. The desktop market grew only 1 per cent year-on-year. In 2007, PC shipments grew 10.2 per cent compared to 2006.

"FSC maintained its leading position but continued to lose market share at a strong rate," said Meike Escherich, principal research analyst at Gartner, based in the UK. FSC pulled out of several so-called "un-profitable" deals in the consumer segment, as the company continued to focus on profitability.

Hewlett-Packard took advantage of Fujitsu/Fujitsu Siemens' poor performance in the mobile PC market and saw its consumer mobile PC business segment grow 43 per cent. Despite Hewlett-Packard's strong performance, Acer remained the leader in the mobile PC segment, with three percentage market share's difference with followers Medion and FSC.

Even though Acer has maintained its leading position, its performance in growth rate terms was weaker than previous quarters and its performance in the desk-based market declined.

Dell's performance in the professional segment continued to grow and supported the company's overall growth, although it suffered from a decline in desk-based PC demand.

"Demand in retail in the fourth quarter of 2007 was overall weaker than expected with a 3 per cent growth as substantial PC inventory carried over from the third quarter of 2007 hampered sell to end-users," said Ms Escherich. *"Surprisingly, it was the professional segment that managed to carry the quarter with a healthy 10 per cent growth. We expect that consumer demand will experience a shift in 2008, as we see the return of corporate purchasing linked to a new replacement cycle and the deployment of Vista."*

Table 4
Germany PC Vendor Unit Shipment Estimates 4Q07 (Thousands of units)

Company	**4Q07 Shipments**	**4Q07 Market Share (%)**	**4Q06 Shipments**	**4Q06 Market Share (%)**	**4Q07-4Q06 Growth (%)**
Fujitsu/Fujitsu Siemens	540	15.7	545	17.0	-0.9
Hewlett Packard	429	12.5	349	10.9	22.7
Acer	368	10.7	327	10.2	12.5
Medion	281	8.2	252	7.9	11.6
Dell	280	8.2	263	8.2	6.5
Others	1,535	44.7	1,466	45.8	4.7
Total	**3,433**	**100**	**3,202**	**100**	**7.2**

Note: Data includes desk-based PCs and mobile PCs
Source: Gartner (January 2008)

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