

FOR IMMEDIATE DISTRIBUTION

Rob van der Meulen
Gartner
+ 44 (0) 1784 267 738
rob.vandermeulen@gartner.com

Gartner Says PC Market in Western Europe Declined 11.7 Per Cent in the Fourth Quarter of 2012

- **France Saw Strongest PC Decline of the Three Major Countries in Western Europe in Fourth Quarter of 2012**
- **PCs Will Continue to Be Marginalised**

Egham, UK, 14th February 2013 — PC shipments in Western Europe totalled 15.3 million units in the fourth quarter of 2012, a decline of 11.7 per cent compared with the same period in 2011, according to Gartner, Inc. In 2012, PC shipments reached 58 million units, a decrease of 8.4 per cent from 2011.

In the fourth quarter of 2012, all PC segments in Western Europe declined. Mobile and desktop PC shipments declined 12.1 per cent and 10.9 per cent in the fourth quarter of 2012, respectively. The decrease in the professional PC market was less severe due to replacement purchases and fell 4.9 per cent, while the consumer PC market declined 17.6 per cent year-on-year.

"The PC market in Western Europe is in a downward spiral," said Meike Escherich, principal research analyst at Gartner. "In 2012, it experienced the second consecutive year of decline, but less steeply than in 2011, when the PC market in Western Europe decreased 14 per cent. The second consecutive yearly decline indicates that the issues the PC market faces are beyond a weak economy, a poorly understood new operating system, or Ultramobiles being priced too high to generate demand."

HP lost share in the mobile and home PC segments in Western Europe, but remained the market leader in the desktop and professional PC markets with nearly 10 per cent market share ahead of its nearest rival (see Table 1). HP's new leadership has undertaken a number of initiatives to reignite its business. In the fourth quarter of 2012, Acer, Lenovo and Asus reached 11 per cent market share.

Acer, which held the No. 2 spot in the overall PC sales market in Western Europe, dropped to third place behind Asus in the home PC segment, with shipments declining 25 per cent from the fourth quarter of 2011. Lenovo's strong focus to increase market share helped it become the No. 2 PC vendor in the professional PC market with a 4 per cent increase in the fourth quarter of 2012. Lenovo also grew 65 per cent in the consumer PC market in the fourth quarter of 2012.

Asus saw its Western Europe PC shipments decline in the fourth quarter of 2012, indicating that its pricing had moved upwards to higher price points because of the midrange-to-high-end Windows 8 system. Dell dropped to fifth place, with shipments in the consumer PC market nearly halved from the fourth quarter of 2011. Dell also felt the pressure from HP and Lenovo in the professional PC segment, where both vendors focused on gaining share over increasing their profit protection.

"In the future, we expect buyers will not replace secondary or tertiary PCs in their households by allowing them to become obsolete, preferring instead to purchase tablets. We should see an increase in PC margins as users favour PCs with richer applications," said Ms Escherich.

Table 1

Western Europe: PC Vendor Unit Shipment Estimates for 4Q12 (Thousands of Units)

Vendor	4Q12 Shipments	4Q12 Market Share (%)	4Q11 Shipments	4Q11 Market Share (%)	4Q11-4Q12 Growth (%)
HP	3,294	21.5	3,612	20.8	-8.8
Acer Group	1,752	11.4	2,095	12.1	-16.4
Lenovo	1,744	11.4	1,416	8.1	23.2
Asus	1,721	11.2	1,879	10.8	-8.4
Dell	1,341	8.7	1,718	9.9	-21.9
Others	5,491	35.8	6,663	38.3	-17.6
Total	15,343	100.0	17,383	100.0	-11.7

Note: Data includes desk-based PCs and mobile PCs. Media tablets are excluded.

Source: Gartner (February 2013)

UK: PC Shipments Contracted in Fourth Quarter of 2012 and Fell 3 Per Cent in 2012

PC shipments in the UK totalled 3.1 million units in the fourth quarter of 2012, a slight decrease of 0.7 per cent compared with the same period in 2011 (see Table 2). In 2012, the PC market declined 3 per cent totalling 11.7 million units, after a fall of 13 per cent in 2011.

"Any seasonal consumer upturn in the fourth quarter of 2012 failed to occur," said Ranjit Atwal, research director at Gartner. "The shift to other devices has become a permanent trend, leaving the PC market struggling to show value, either from Windows 8 or the new thinner and lighter PCs. While the consumer PC market continued to decline, the professional PC market returned to growth after two consecutive quarters of decline."

In the fourth quarter of 2012, HP extended its lead and remained in the No. 1 position, with strong growth in both consumer and professional PC markets. Dell's consumer PC market continued to shrink, but in common with most of the top five vendors, saw an upturn in the professional PC market, where Lenovo took the lead with a 45 per cent increase in the fourth quarter of 2012. Lenovo's strong performance in the professional PC market helped to close the gap with Dell during the same quarter.

"While PC vendors keep hoping for a 'PC plus' era, in reality we are in a smartphone/tablet era, where tablets are winning the battle for content consumption and smartphones are at the forefront of mobility. PCs are continuing to be marginalised and 2013 will be no different," said Mr Atwal.

Table 2

United Kingdom: PC Vendor Unit Shipment Estimates for 4Q12 (Thousands of Units)

Company	4Q12 Shipments	4Q12 Market Share (%)	4Q11 Shipments	4Q11 Market Share (%)	4Q11-4Q12 Growth (%)
HP	676	21.8	618	19.8	9.4
Dell	334	10.8	407	13.0	-18.0
Lenovo	325	10.5	225	7.2	44.9
Acer Group	270	8.7	221	7.1	22.4
Asus	257	8.3	138	4.4	87.4
Others	1,242	39.9	1,517	48.5	22.4
Total	3,104	100.0	3,126	100.0	-0.7

Note: Data includes desk-based PCs and mobile PCs. Media tablets are excluded.

Source: Gartner (February 2013)

Market Weakness in France Continued During the Fourth Quarter of 2012

PC shipments in France totalled 2.5 million units in the fourth quarter of 2012, a decrease of 13.6 per cent compared with the same period in 2011 (see Table 3). In 2012, PC shipments reached 10 million units, a 6.4 per cent decline from 2011. This is the second consecutive year that the PC market in France has declined.

"PC sales in France continued downward," said Isabelle Durand, principal research analyst at Gartner. "The PC market in France declined for the second consecutive quarter in 2012 and saw the strongest decline of the three major countries in Western Europe in the fourth quarter of 2012."

The launch of Windows 8 had no impact on PC demand, and the holiday season saw retailers clear out their Windows 7 notebook inventories and drive their volumes of low-end notebooks. Both consumer and professional PC markets continued to decline, with the consumer PC market experiencing the sharpest fall of 19.5 per cent in the fourth quarter of 2012. Ultrabook sales remained low. The Ultraportable segment accounted for 11 per cent of all mobile PCs shipped in France during the quarter.

Shipments of mobile PCs in France decreased 12.5 per cent in the fourth quarter of 2012, while desktop PCs declined 15.5 per cent year-on-year. "The increasing choice of tablets at a lower price was no doubt a favourite Christmas present ahead of PCs," said Ms Durand.

Asus maintained the No. 2 position, gaining 3.1 percentage points in market share in the fourth quarter of 2012 and clearly positioned itself as a strong consumer PC vendor in the French PC market. HP remained the No. 1 PC vendor in France, thanks to its good performance in the professional PC segment, but it faces challenges in the consumer PC market. Acer lost the No. 3 position to Dell, exhibiting the steepest year-on-year decline, mainly due to slow netbook sales and inventory build-up from the previous quarter. The vendor is also going through a period of readjusting its strategy. Lenovo showed continued growth, thanks to its expansion in the consumer PC market.

"Overall, we expect the PC market in France to remain weak and exhibit a double-digit decline in the first quarter of 2013. PC sales will continue to compete with media tablets, as the proliferation of lower-priced tablets will increase their market potential at the expense of mobile PCs," said Ms Durand.

Table 3

France: PC Vendor Unit Shipment Estimates for 4Q12 (Thousands of Units)

Company	4Q12 Shipments	4Q12 Market Share (%)	4Q11 Shipments	4Q11 Market Share (%)	4Q11-4Q12 Growth (%)
HP	625	25.0	696	24.1	-10.2
Asus	428	17.1	405	14.0	5.7
Dell	273	10.9	316	10.9	-13.6
Acer Group	244	9.7	383	13.2	-36.4
Lenovo	215	8.6	212	7.3	1.3
Others	715	28.6	881	30.4	-18.8
Total	2,500	100.0	2,894	100.0	-13.6

Note: Data includes desk-based PCs and mobile PCs. Media tablets are excluded

Source: Gartner (February 2013)

Germany: PC Shipments Declined 12 Per Cent in the Fourth Quarter of 2012

PC shipments in Germany totalled 3.4 million units in the fourth quarter of 2012, a decrease of 11.9 per cent compared with the same period in 2011 (see Table 4). In 2012, 1 million fewer PCs were shipped than in 2011, which resulted in the PC market in Germany declining 8 per cent from 2011.

Mobile PC shipments declined 15 per cent in the fourth quarter of 2012, while desktop PC volumes decreased 6 per cent year on year. Consumer and professional PC demand declined 13 per cent and 11 per cent.

"The battle for consumer wallet share continues between the different devices," said Ms Escherich. "The PC appears to be the first to fall by the wayside side as usage patterns have shifted toward smartphones and tablets. This ongoing trend will have a profound impact on the current and potential installed base for PCs. Neither Windows 8 nor the new Ultramobile PCs were able to generate significant new PC demand during the fourth quarter," said Ms Escherich.

In the fourth quarter of 2012, Lenovo moved to the No. 1 position in the German PC market with above market performance in all segments, and it experienced 36 per cent growth in the home PC market. HP rose to the second spot, while Acer moved to third place. HP performed above the market average in both the home and professional PC markets, but the gap with Lenovo is widening rapidly. In the fourth quarter of 2012, both Acer and Asus lost market share, and both vendors saw PC shipment declines of around 30 per cent in the consumer PC market. Fujitsu returned to the top five PC vendor rankings in Germany, narrowly beating Dell. Fujitsu saw strong growth in the desktop market, where it returned to second place, behind HP.

"While 2013 will remain a challenging year for the PC market in Germany, the introduction of Intel's Haswell CPU will possibly create a little more optimism in the Ultramobile segment as users begin to see the value of a full day's battery life and better performance products," said Ms Escherich.

Table 4
Germany: PC Vendor Unit Shipment Estimates for 4Q12 (Thousands of Units)

Vendor	4Q12 Shipments	4Q12 Market Share (%)	4Q11 Shipments	4Q11 Market Share (%)	4Q11-4Q12 Growth (%)
Lenovo	585	17.1	514	13.2	13.8
HP	445	13.0	457	11.7	-2.6
Acer Group	434	12.7	554	14.2	-21.5
Asus	335	9.8	441	11.3	-24.1
Fujitsu	235	6.9	270	6.9	-12.8
Others	1,396	40.6	1,658	42.5	-15.9
Total	3,430	100.0	3,894	100.0	-11.9

Note: Data includes desk-based PCs and mobile PCs. Media tablets are excluded.
Source: Gartner (February 2013)

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 in 12,400 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 5,300 associates, including 1,390 research analysts and consultants, and clients in 85 countries. For more information, visit www.gartner.com.

###