Gartner | **Press Release**

Gartner Says PC Shipments in Western Europe Declined 3 Per Cent in the First Quarter of 2012

PC Shipments in UK and Germany Grew, While the France Market Declined but Showed Signs of Improvement

Egham, UK, 10 May 2012 – PC shipments in Western Europe totalled 15.5 million units in the first quarter of 2012, a 3.1 per cent decline compared with the equivalent period in 2011, according to Gartner, Inc. The PC markets of Italy, Greece, Portugal and Spain were again the worst hit.

"Although we saw moderate growth in professional PC shipments, the overall PC market in Western Europe showed a decline," said Meike Escherich, principal analyst at Gartner. "Consumers continued to focus their spending on alternative computing devices like smartphones and media tablets."

In Western Europe, the professional PC market declined 2.5 per cent in the first quarter of 2012, but saw better demand for replacement PCs as a result of increasing Windows 7 deployments. The consumer PC market declined 3.8 per cent year-on-year. Mobile PC shipments decreased 5.1 per cent, while desk-based PC shipments were driven by better demand in the professional PC market, which exhibited 0.3 per cent growth.

HP saw strong sales of professional PCs and maintained its No. 1 position in Western Europe (see Table 1). Although Acer remained in the No. 2 spot, this vendor still seemed to be in transition and suffering from major management changes at a country level. Asus claimed the No. 3 position, demonstrating that the wide variety of mobile PCs it sells through retail remained attractive to consumers. Lenovo was the fastest-growing vendor with growth of 34.6 per cent. Lenovo's decision to expand its consumer and business presence with an aggressive pricing strategy is paying off.

Table 1
Western Europe: PC Unit Shipment Estimates by Vendor for 1Q12

Vendor	1Q12 Shipments (K)	1Q12 Market Share (%)	1Q11 Shipments (K)	1Q11 Market Share (%)	1Q11-1Q12 Growth (%)
HP	3,549	22.9	3,438	20.9	3.2
Acer	2,272	14.6	2,842	17.8	-20.1
Asus	1,469	9.5	1,258	7.9	16.8
Dell	1,423	9.2	1,413	8.8	0.7
Lenovo	1,334	8.6	991	6.2	34.6
Others	5,436	35.2	6,128	38.3	-11.3
Total	**15,483**	**100.0**	**15,981**	**100.0**	**-3.1**

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

"This quarter had a 'wait and see' feel to it, as many retailers were awaiting Intel's Ivy Bridge-based Ultrabooks and the arrival of Windows 8-based PCs. Intel is already promoting the Ultrabooks, but there are questions if consumers see the difference, and more importantly, pay the higher price point." said Ms Escherich.

UK: PC Market Showed Moderate Growth

The UK PC market totalled 3 million units in the first quarter of 2012, an increase of 2.4 per cent compared with the equivalent period in 2011 (see Table 2). The desk-based segment showed the greatest increase, with a rise of 7.2 per cent, as a result of strong sales of the all-in-one form factor. The mobile segment decreased 0.3 per cent.

"After a decline of 16 per cent in 2011, the UK PC market showed stability in terms of shipment volume," said Ranjit Atwal, research director at Gartner. “Shipments of professional PCs grew 3.2 per cent in the first quarter of 2012, but it remains to be seen if this is a sign of real demand or just inventory refreshment.”

HP increased its lead and remained in the No. 1 position in the UK, thanks to well-priced products. Dell's performance was weak, and it continued to lose share. Lenovo was the major winner, with 59.5 per cent growth. Expansion of its Medion offerings enabled it to increase its share in the consumer PC market.

"PC vendors are all waiting for Ultrabooks and Windows 8-based PCs to enter the market, and the way they can differentiate themselves from their competitors will again come down to price, unless there is innovation in form factors," said Mr Atwal.

Table 2
UK: PC Unit Shipment Estimates by Vendor for 1Q12

Vendor	1Q12 Shipments (K)	1Q12 Market Share (%)	1Q11 Shipments (K)	1Q11 Market Share (%)	1Q11-1Q12 Growth (%)
HP	644	21.4	634	21.5	1.6
Dell	396	13.1	429	14.6	-7.7
Acer	293	9.7	450	15.3	-35.0
Toshiba	259	8.6	204	6.9	26.7
Lenovo	236	7.8	148	5.0	59.5
Others	1185	39.3	1086	36.9	9.1
Total	**3,013**	**100.0**	**2,943**	**100.0**	**2.4**

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

France: PC Market Showed Signs of Improvement, Despite Overall Decline

PC shipments in France totalled 2.7 million units in the first quarter of 2012, a decline of 3.9 per cent compared to the first quarter of 2011 (see Table 3).

"The PC market in France remained weak, but it showed signs of improvement in the professional PC segment," said Isabelle Durand, principal analyst at Gartner. "The weak demand was in part due to consumers’ increased interest in other mobile devices."

The professional PC market grew 0.8 per cent in the first quarter 2012 as a result of a number of deals in the education and public sector and increasing demand for Windows 7-based PCs, which accelerated the replacement cycle.

The consumer PC market declined 7.1 per cent. Demand for netbooks continued to decrease, compared with the equivalent period in 2011. "The first quarter of 2012 was also a transitional period as people were waiting for the launch of Intel's Ivy Bridge Ultrabooks and Windows 8-based PCs," said Ms Durand.

The mobile PC market accounted for 62 per cent of PC shipments, with volumes declining 4.3 per cent. Desk-based PCs declined 3.2 per cent year-on-year. Netbooks declined 38.9 per cent of the mobile PC segment in the first quarter of 2012.

HP remained in No. 1 position in France, but of the top five vendors, only Asus and Toshiba showed growth. Toshiba achieved the strongest growth, and moved up to the No. 5 position. Toshiba managed the hard-disk drive shortage very well and successfully expanded into the consumer space, thanks to good availability of its mainstream mobile PCs. Acer's market share collapsed due to a further drop in netbook sales.

"Despite the launch of Ivy Bridge-based Ultrabooks, we expect the PC market in France to remain under pressure," said Ms Durand.

Table 3
France: PC Unit Shipment Estimates by Vendor for 1Q12

Vendor	1Q12 Shipments (K)	1Q12 Market Share (%)	1Q11 Shipments (K)	1Q11 Market Share (%)	1Q11-1Q12 Growth (%)
HP	676	24.9	710	25.2	- 4.8
Acer	460	17.0	604	21.4	-23.8
Asus	369	13.6	304	10.8	21.4
Dell	256	9.5	269	9.5	-4.8
Toshiba	203	7.5	131	4.6	55.0
Others	744	27.5	800	28.4	-7.0
Total	**2,708**	**100.0**	**2,818**	**100.0**	**-3.9**

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

Germany: PC Shipments Continued to Show Growth

PC shipments in Germany totalled 3.3 million units in the first quarter of 2012, an increase of 7.1 per cent compared with the equivalent period in 2011 (see Table 4).

"After six quarters of decline, the PC market in Germany showed growth," said Ms Escherich. “This growth was driven by a lower level of inventory, and this quarter saw an uptake in PC demand for the first time in nearly two years. However, it’s important to remember that this comparison is based on weak PC shipments in the first quarter of 2011."

In the first quarter of 2012, shipments in the professional PC market grew 9 per cent. They were driven by demand for replacement PCs as a result of increasing Windows 7 deployments, particularly by large businesses and public sector organisations. The consumer PC market increased 5.2 per cent year-on-year. Overall, the mobile PC segment grew 8.7 per cent and the desk-based PC segment grew 4.7 per cent.

HP lost the No. 1 position to Acer in Germany. Acer exhibited solid growth, which included a 30 per cent increase in the professional PC market. "Acer is delivering on its promise to shift its profits further into the business-to-business sector," said Ms Escherich. Lenovo climbed to the No. 2 position as a result of strong sales in the retail sector and a steep increase in the professional market.

"Although the PC market in Germany exhibited growth in the first quarter, we are not yet witnessing a market recovery," said Ms Escherich. “We expect the rest of the year to continue to experience moderate growth.”

Table 4
Germany: PC Unit Shipment Estimates by Vendor for 1Q12

Vendor	1Q12 Shipments (K)	1Q12 Market Share (%)	1Q11 Shipments (K)	1Q11 Market Share (%)	1Q11-1Q12 Growth (%)
Acer	493	15.0	404	13.2	22.0
Lenovo	488	14.9	364	11.9	34.0
HP	475	14.5	428	14.0	11.0
Asus	272	8.3	279	9.1	-2.5
Dell	269	8.2	228	7.5	18.0
Others	1,278	39.1	1,354	44.3	5.6
Total	**3,275**	**100.0**	**3,058**	**100.0**	**7.1**

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

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