

Gartner Dataquest Says Latin America Server Market Suffered a 10 Percent Decline in First Quarter of 2002

SAN JOSE, Calif., May 30, 2002 - Affected by the unprecedented weak economic conditions in Argentina, Latin America server shipments and revenue experienced strong declines in the first quarter of 2002, according to Dataquest Inc., a unit of Gartner, Inc. (NYSE: IT and ITB). In the first quarter of 2002, server shipments in Latin America declined 10.4 percent, while Latin America server revenue declined 16.1 percent from the first quarter of 2001.

Compaq continued to be the leader in unit shipments with 22.4 percent of the market, while IBM was the No. 1 vendor based on revenue, as it accounted for 34.6 percent of revenue in the region (see Tables 1 and 2). With the exception of Dell Computer and Alaska, all of the top-tier vendors suffered a decline in shipments.

"Compaq experienced a decline in shipments, but an increase in revenue because of a different mix and higher average prices in its Intel servers. The company has had success in penetrating the higher end segment of this market in the region," said Lillian Alvarado, senior industry analyst covering servers for Gartner Dataquest's Computing Platforms Latin America group.

Table 1
Latin America Server Vendor Unit Shipment Estimates for 1Q02 (Units)

Company	1Q02 Shipments	1Q02 Market Share (%)	1Q01 Shipments	1Q01 Market Share (%)	Growth (%)
Compaq	8,604	22.4	9,693	22.6	-11.2
IBM	6,018	15.6	6,047	14.1	-0.5
Dell	4,493	11.7	3,010	7.0	49.3
Hewlett-Packard	3,271	8.5	4,921	11.5	-33.5
Alaska	1,855	4.8	1,079	2.5	71.9
Others	14,251	37.0	18,215	42.4	-21.8
Total Market	38,492	100.0	42,965	100.0	-10.4

Source: Gartner Dataquest (May 2002)

IBM continued as the leader in vendor revenue despite negative growth of 15.4 percent. The decrease in IBM revenue was a result of lower shipments of RISC servers and mainframes.

Local Brazilian firm Itautec shipped more 4-way and 8-way servers when compared to the first quarter of 2001. "In the Intel-based server segment, with a price of up to \$25,000, Itautec is slowly penetrating the midrange and-higher-ends of this category. These statistics are suggesting that market confidence in local server manufacturers is on the rise," said Luis Anavitarte, vice president and research director for Gartner Dataquest's Latin America group.

Table 2
Latin America Server Vendor Revenue Estimates for 1Q02 (Thousands of Dollars)

Company	1Q02 Revenue	1Q02 Market Share (%)	1Q01 Revenue	1Q01 Market Share (%)	Growth (%)
IBM	107,699	34.6	127,295	34.3	-15.4

Compaq	54,049	17.4	47,348	12.8	14.2
Hewlett-Packard	40,676	13.1	42,266	11.4	-3.8
Sun	35,277	11.3	74,704	20.1	-52.8
Itautec	16,764	5.4	11,331	3.1	47.9
Others	56,895	18.3	68,056	18.3	-16.4
Total Market	311,360	100.0	371,002	100.0	-16.1

Source: Gartner Dataquest (May 2002)

"Brazil, Mexico and Chile posted flat results in server shipments in the period, while Colombia was the only country posting server shipment growth. The 19 percent growth in Colombia was partially attributed to pre-election IT investments in the government sector," said Ms. Alvarado. "Argentina posted a 85 percent decline in server shipments in the quarter. In the first quarter of 2001, Argentina was the No. 3 country in server shipments, but in the first quarter of 2002, Argentina fell to No.8."

This information is produced by Gartner Dataquest's Computing Platforms Latin America group. The group provides research on key aspects of the dynamic PC, server and printer hardware markets in Latin America. The focus is on regional and country issues in the top eight Latin American markets and the Rest of Latin America (ROLA) category, where Central American and Caribbean countries are grouped. To subscribe to this program, please call 408-468-8000.

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Contact:

Christy Pettey
408-468-8312
christy.pettey@gartner.com

359077

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