

Gartner Dataquest Says Worldwide Server Shipments Experienced Slight Growth in 2001

SAN JOSE, Calif., January 30, 2002 -The worldwide server market in 2001 experienced its lowest annual growth rate in unit shipments since 1996. Worldwide server shipments totaled 4.4 million in 2001, a 1.8 percent increase from 2000, according to preliminary statistics by Dataquest Inc., a unit of Gartner, Inc. (NYSE: IT and ITB).

"The initial sign of trouble was seen in the first quarter when the economic slowdown began to affect sales of higher-end, midrange systems in the United States and Western Europe," said Shahin Naftchi, senior analyst covering servers for Gartner Dataquest's Computing Platform Worldwide program. "The terrorist attack on Sept. 11 also added to the problem by delaying shipments into and out of the United States during the latter half of the month, a time of year when many vendors expect to record a large portion of their quarterly shipments."

Compaq remained in the top spot with 23.3 percent of the worldwide market share, followed by Dell and IBM, with 16.1 percent and 15 percent, respectively. Dell and IBM were the only vendors to record positive year-over-year growth with Dell moving past IBM into the second position with 25.2 percent growth (see Table 1).

**Table 1
Preliminary Worldwide Server Unit Shipment Estimates for 2001 (Units)**

| Company | 2001 Shipments | 2001 Market Share (%) | 2000 Shipments | 2000 Market Share (%) | Growth (%) |
|------------------|------------------|-----------------------|------------------|-----------------------|------------|
| Compaq | 1,026,025 | 23.3 | 1,068,436 | 24.7 | -4.0 |
| Dell | 711,614 | 16.1 | 568,410 | 13.1 | 25.2 |
| IBM | 661,547 | 15.0 | 657,979 | 15.2 | 0.5 |
| Hewlett-Packard | 428,104 | 9.7 | 440,512 | 10.2 | -2.8 |
| Sun Microsystems | 254,053 | 5.8 | 289,231 | 6.7 | -12.2 |
| Others | 1,326,072 | 30.1 | 1,302,943 | 30.1 | 1.8 |
| Total | 4,407,416 | 100.0 | 4,327,511 | 100.0 | 1.8 |

Source: Gartner Dataquest (January 2002)

The U.S. server market showed a 9.5 percent decline, with shipments of 1.7 million units in 2001, down from 1.9 million units in 2000 (see Table 2). Dell led the U.S. market with 23.4 percent, followed closely by Compaq with 22.6 percent.

"Dell's focus on one, two and four-way servers placed it in a competitive position as market conditions worsened making it the only top five vendor to experience positive growth in both the U.S. and worldwide markets," said Jeffrey Hewitt, principal analyst for Gartner Dataquest's Servers Worldwide program.

"Dell's direct business model and build-to-order model also played a part by enabling low inventory levels and allowing the company to quickly incorporate reductions in component costs into its pricing structures," Naftchi said.

**Table 2
Preliminary U.S. Server Unit Shipment Estimates for 2001 (Units)**

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
|--|--|--|--|--|--|

| Company | 2001 Shipments | 2001 Market Share (%) | 2000 Shipments | 2000 Market Share (%) | Growth (%) |
|------------------|-----------------------|------------------------------|-----------------------|------------------------------|-------------------|
| Dell | 399,208 | 23.4 | 349,013 | 18.5 | 14.4 |
| Compaq | 385,164 | 22.6 | 482,644 | 25.6 | -20.2 |
| IBM | 217,020 | 12.7 | 239,612 | 12.7 | -9.4 |
| Sun Microsystems | 121,402 | 7.1 | 139,243 | 7.4 | -12.8 |
| Hewlett-Packard | 99,708 | 5.9 | 129,044 | 6.9 | -22.7 |
| Others | 480,851 | 28.2 | 542,628 | 28.8 | -11.4 |
| Total | 1,703,353 | 100.0 | 1,882,184 | 100.0 | -9.5 |

Source: Gartner Dataquest (January 2002)

These results are preliminary. Final statistics will be available soon to clients of Gartner Dataquest's Servers Quarterly Statistics program. This program offers a comprehensive, global market information service that analyzes and documents the server industry. To subscribe to these programs, please call 408-468-8000.

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