



## Gartner Dataquest Says Worldwide Server Shipments Increased 4 Percent in 2002

SAN JOSE, Calif., January 24, 2003 — Worldwide server shipments totaled 4.6 million units in 2002, a 4.2 percent increase from 2001 shipments, according to preliminary statistics by Dataquest Inc., a unit of Gartner, Inc. (NYSE: IT and ITB).

"The performance of the worldwide server market continues the growth pattern which began in the first quarter of 2002, suggesting that server shipments for the worldwide market may be stabilizing, but not showing signs of dramatic growth due to continued economic pressure in a number of regions," said Shahin Naftchi, senior analyst covering servers for Gartner Dataquest's Computing Platform Worldwide program.

Hewlett-Packard remained in the top spot in the worldwide rankings with 30 percent of server shipments. Dell Computer remained in the No. 2 spot with 18.5 percent of the market, followed by IBM with market share of 14.3 percent. Dell and Sun Microsystems were the only top-tier vendors to experience an increase in worldwide server shipments in 2002 (see Table 1).

**Table 1**  
**Preliminary Worldwide Server Unit Shipment Estimates for 2002 (Units)**

Company	2002 Shipments	2002 Market Share (%)	2001 Shipments	2001 Market Share (%)	Growth (%)
Hewlett-Packard	1,385,529	30.1	1,452,351	32.8	-4.6
Dell	851,227	18.5	713,653	16.1	19.3
IBM	657,895	14.3	666,729	15.1	-1.3
Sun Microsystems	277,300	6.0	259,905	5.9	6.7
NEC	103,521	2.2	106,200	2.4	-2.5
Others	1,334,856	29.0	1,227,139	27.7	8.8
<b>Total</b>	<b>4,610,328</b>	<b>100.0</b>	<b>4,425,977</b>	<b>100.0</b>	<b>4.2</b>

*Note: The data for Hewlett-Packard and Compaq have been combined.*

*Source: Gartner Dataquest (January 2003)*

The U.S. server market experienced an increase of 13.8 percent in 2002, with shipments of 1.9 million units, up from 1.7 million in 2001 (see Table 2). HP held onto the No.1 position in the U.S. server market, garnering 26 percent of the market, but Dell narrowed the gap, as it accounted for 25 percent of U.S. server shipments.

"Most of HP's growth is fueled by IA servers which accounts for about 95 percent of HP's overall shipments. HP completed the customer transition from the NetServer to the ProLiant brand, and it appears that a percentage of the old NetServer customers have lost their inhibition to move to the ProLiant brand, which helped HP to retain that customer base," said Jeffrey Hewitt, principal analyst for Gartner Dataquest's Servers Worldwide program. "The majority of Dell's sales are occurring below the \$25,000 segment. This market has seen an increase in shipments because of the poor economic situation."

**Table 2**

### Preliminary U.S. Server Unit Shipment Estimates for 2002 (Units)

Company	2002 Shipments	2002 Market Share (%)	2001 Shipments	2001 Market Share (%)	Growth (%)
Hewlett-Packard	506,589	26.0	483,938	28.3	4.7
Dell	487,984	25.0	399,236	23.3	22.2
IBM	225,315	11.6	217,171	12.7	3.8
Sun Microsystems	143,753	7.4	124,056	7.2	15.9
Gateway	18,000	0.9	25,803	1.5	-30.2
Others	567,720	29.1	462,410	27.0	22.8
<b>Total</b>	<b>1,949,361</b>	<b>100.0</b>	<b>1,712,614</b>	<b>100.0</b>	<b>13.8</b>

*Note: The data for Hewlett-Packard and Compaq have been combined.*

*Source: Gartner Dataquest (January 2003)*

The U.S. server market experienced positive growth all four quarters in 2002, but the lack of corresponding revenue growth indicates that most of the increase is occurring at the lower end of the pricing spectrum, and the market itself is still in stagnation. The Europe, Middle East and Africa (EMEA) server market ended a difficult 2002 by heading in a positive direction after a pick up in demand in the last weeks of December. However, revenue is expected to decline once again as a result of competitive pricing and product mix influences.

Asia/Pacific is also showing shipment growth, but there is still uncertainty as governments across the region increasingly focus on national security, with constant travel advisories to many of the key growth markets impacting business in general. The Latin America server market continues to suffer from the difficult economic conditions prevailing in the region.

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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