

Gartner Says Worldwide PC Shipments Experienced Third Consecutive Quarter of Positive Growth Worldwide PC Shipments Increased 6 Percent in First Quarter of 2003

SAN JOSE, Calif., April 17, 2003 — The PC industry is starting 2003 on a better note, as worldwide PC shipments totaled 34.5 million units in the first quarter of 2003, a 5.5 percent increase from the same period last year, according to preliminary results from Gartner, Inc. (NYSE: IT and ITB).

"Worldwide first quarter 2003 results were slightly ahead of expectations, but even so do not signal a major return to buying. Aggressive price cutting was an important factor in maintaining PC shipment growth during the first quarter," said Charles Smulders, vice president of Gartner's computing platforms worldwide group. "The PC market felt some impact from the outbreak of hostilities in Iraq in the second half of March, following generally better-than-expected performances in January and February. SARS (Severe Acute Respiratory Syndrome) did not play a major factor in the growth levels on a worldwide basis."

Dell was the No. 1 vendor for PC shipments worldwide (see Table 1), and it experienced the strongest growth rate among the top-tier vendors. Hewlett-Packard slipped to the No. 2 position as its shipments declined 5.7 percent in the first quarter.

Table 1
Preliminary Worldwide PC Vendor Unit Shipment Estimates for 1Q03 (Thousands of Units)

Company	1Q03 Shipments	1Q03 Market Share (%)	1Q02 Shipments	1Q02 Market Share (%)	Growth (%)
Dell	5,828.4	16.9	4,687.0	14.3	24.4
Hewlett-Packard	5,375.9	15.6	5,700.4	17.4	-5.7
IBM	1,869.8	5.4	1,751.0	5.4	6.8
Toshiba	1,241.2	3.6	1,041.0	3.2	19.2
NEC	1,162.7	3.4	1,268.3	3.9	-8.3
Others	18,992.1	55.1	18,229.1	55.8	4.2
Total	34,470.1	100.0	32,676.9	100.0	5.5

Note: Data include deskbased PCs, mobile PCs and IA32 servers. HP and Compaq are reported as one company. If combining Fujitsu and Fujitsu Siemens, the combined shipments would be in fourth place in the worldwide PC market. Source: Gartner Dataquest (April 2003)

"Dell successfully executed in several target countries, including United Kingdom, France, Germany and Japan, as well as achieving consistent growth in its home territory of the United States," Smulders said.

HP had a more difficult quarter, particularly in the United States and EMEA. The merger with Compaq continues to be a work in progress, but Gartner analysts said they see progress being made.

U.S. PC shipments totaled 11.8 million units in the first quarter of 2003, a 7.7 percent increase from the first quarter of 2002 (see Table 2). The U.S. PC market received a boost from a strong consumer market. After the holiday season, the first quarter is usually a quieter quarter for consumer sales, however, Gartner analysts said deskbased PC sales were stronger than anticipated.

Table 2
Preliminary U.S. PC Vendor Unit Shipment Estimates for 1Q03 (Thousands of Units)

Company	1Q03 Shipments	1Q03 Market Share (%)	1Q02 Shipments	1Q02 Market Share (%)	Growth (%)
Dell	3,634.1	30.7	2,932.6	26.7	23.9
Hewlett-Packard	2,247.6	19.0	2,325.2	21.1	-3.3
IBM	567.8	4.8	579.3	5.3	-2.0
Gateway	506.0	4.3	645.0	5.9	-21.6
Toshiba	383.6	3.2	307.9	2.8	24.6

Others	4,506.8	38.0	4,211.3	38.3	7.0
Total	11,845.9	100.0	11,001.3	100.0	7.7

*Note: Data include desk-based PCs, mobile PCs and IA32 servers. HP and Compaq are reported as one company.
Source: Gartner Dataquest (April 2003)*

Mobile PC growth continued to outpace the desktop PC segment. Tablet PCs and the launch of Intel's Centrino mobile platform continues to bring attention to the mobile PC, but were not major factors in driving shipments.

"Centrino is focused at the corporate market initially. In addition to budget issues, it will take time for that community to qualify it within their IT environments," Smulders said. "The marketing campaign around Centrino, however, is raising general awareness of the benefits of wireless mobile form factors."

Additional information is available in the Gartner Dataquest Perspective "Preliminary 1Q03 PC Market Results-Slightly Better than Expected," examines the current state of the worldwide PC industry. It also looks at what trends are developing, and how the top-tier vendors are performing.