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## **PC Market Continues To Resist Economic Pressures With A Boost From Low Cost Portable PCs, According to IDC**

**FRAMINGHAM, Mass., September 10, 2008** – Despite continuing economic concerns in both mature and emerging regions, recent shipment volume and increasing competition in the rapidly growing low end of the Portables market are expected to drive solid growth for the next few years, according to IDC's Worldwide Quarterly PC Tracker. Worldwide PC shipments are projected to grow by 15.7% in 2008 to reach 311 million units. Growth will remain in double-digits through 2011, with growth above 9% in 2012, boosting annual shipments to over 482 million in 2012.

The second quarter of 2008 (2Q08) had a few surprises that impact the outlook for future growth. Although still expanding quickly, Asia/Pacific excluding Japan (APeJ) saw volume increase by less than 14% year on year after gains of near 20% or better for most of the past few years. Rising energy costs, inflationary pressures, the Sichuan earthquake as well as the summer Olympics in China, all limited growth. Nevertheless, prospects for further decline in both the short and long term seem unlikely given economic policy changes to stimulate growth within Asia and in other regions, the still elevated economic growth in the region, and the rapid growth in PC adoption. The latest projections for the region have growth rising in the next couple years and remaining above 15% through 2011.

Offsetting slower growth in Asia, Western Europe saw growth jump to 23% from just 12% in 2007 despite a slower economic outlook. Sparked by the wide appeal of low-cost Portables such as the ASUS Eee PC, Western Europe Consumer Portables grew 60% over 2Q07 and are expected to boost growth for the remainder of 2008. Other regions also raised their outlook for the next several years, primarily based on the continued strength of Portable PC adoption.

The latest projections increase 2008 unit growth slightly from 15.2% in the June forecast. Strong growth in Portables and solid Consumer demand in most regions despite economic pressures helped boost the outlook. The success of low-cost notebooks will lead to further erosion of average prices, but will boost volume as more consumers purchase PCs for the first time or as additional systems. Ongoing wireless infrastructure upgrades and the growing role of Portable PCs as part of a digital lifestyle, rather than just computing device, will also sustain growth in both Consumer and Commercial segments.

"We continue to see a rapid transition to Portable PCs around the world, even as economic pressures rise," said Loren Loverde, director of IDC's Worldwide Quarterly PC Tracker. "The trend reflects the increasing importance of computing, not just in the home or office, but as an integrated part of our lives. Falling prices, more design choice and competition for PC makers to capture this market continue to drive a rapid transition."

"The right way to gauge the success of consumer PCs is no longer the adoption rate of households with PCs, or even the number of PCs per household, but rather the number of machines per individual," said Bob O'Donnell, vice president, Clients and Displays. "The increasing form factor diversity in notebooks as well as desktops is enabling people to justify multiple PC purchases. In the commercial space, companies continue to see the value of refreshing their PCs and are maintaining surprisingly healthy purchasing patterns."

## PC Shipments By Region And Form Factor (in Millions), 2007-2012

Region	Form Factor	2007	2008*	2009*	2010*	2011*	2012*
<b>USA</b>	Desktop & x86 Server	37.0	35.5	33.7	32.6	31.1	29.6
	Portables	30.0	35.3	41.1	47.5	54.1	61.1
	Total	67.0	70.8	74.8	80.2	85.2	90.7
<b>International</b>	Desktop & x86 Server	124.1	127.7	133.0	141.1	147.6	154.7
	Portables	78.0	112.8	146.2	180.3	209.0	237.2
	Total	202.0	240.5	279.2	321.3	356.6	391.9
<b>Worldwide</b>	Desktop & x86 Server	161.1	163.2	166.6	173.7	178.7	184.3
	Portables	108.0	148.2	187.4	227.8	263.1	298.3
	Total	269.1	311.4	354.0	401.5	441.8	482.6

\* Forecast data

Source: IDC Worldwide Quarterly PC Tracker, September 2008

## PC Shipment Growth By Region And Form Factor, 2007-2012

Region	Form Factor	2007	2008*	2009*	2010*	2011*	2012*
<b>USA</b>	Desktop & x86 Server	-2.8%	-4.2%	-5.0%	-3.1%	-4.7%	-4.9%
	Portables	23.6%	17.7%	16.3%	15.6%	13.9%	12.9%
	Total	7.4%	5.7%	5.6%	7.2%	6.3%	6.4%
<b>International</b>	Desktop & x86 Server	7.7%	2.9%	4.1%	6.1%	4.6%	4.8%
	Portables	38.5%	44.7%	29.6%	23.3%	15.9%	13.5%
	Total	17.8%	19.1%	16.1%	15.1%	11.0%	9.9%
<b>Worldwide</b>	Desktop & x86 Server	5.1%	1.3%	2.1%	4.2%	2.9%	3.1%
	Portables	34.0%	37.2%	26.4%	21.6%	15.5%	13.4%
	Total	15.1%	15.7%	13.7%	13.4%	10.0%	9.2%

\* Forecast data

Source: IDC Worldwide Quarterly PC Tracker, September 2008

**Taxonomy Note:** PCs include Desktop, Notebook, Ultra Portable, and x86 Server and do not include handhelds.

IDC's Worldwide Quarterly PC Tracker gathers PC market data in 55 countries by vendor, form factor, brand, processor brand and speed, sales channel and user segment. The research includes historical and forecast trend analysis as well as price band and installed base data.

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