

■ HP Maintains 20% World-Wide Notebook PC Market Share in Q1'08; Gains Share on Rivals in 5 of 6 Regions; Mini-Note PC Market Forecast to Grow to More Than 13M Units in 2008

AUSTIN, TEXAS, June 26, 2008—DisplaySearch, the worldwide leader in display market research and consulting, revealed in its latest *Quarterly Notebook PC Shipment and Forecast Report* that the notebook PC market grew 35% Y/Y in Q1'08 to 31 million units. Apple, Asus, Dell, HP and Lenovo all significantly out-paced the Y/Y market growth, while Acer, with the inclusion of Gateway and Packard Bell numbers from a year ago, very slightly trailed the market's annual growth rate.

HP remained #1 in the notebook PC market for the seventh consecutive quarter, maintaining an almost 2 million-unit lead over #2 Dell. In the seasonally slow first quarter of the year, HP also managed to increase their market share Q/Q in five of six regions. Dell was less successful in Q1'08, increasing share Q/Q in two regions. Like HP, #3 Acer posted Q/Q shared gains in five of six regions. HP was #1 in three of six regions, and in the fast-growing APAC market, closed to within a few thousand units of #1 Acer, as shown in Table 1.

DisplaySearch analysis indicates that the increasing transition of consumers from desktop PCs to notebook PCs is having a direct impact on brands' growth and market share. Brands with established enterprise and retail presences have had the most success in growing market share in the past several quarters. Additionally, brands that cater to small and medium businesses, either through a dedicated product line (e.g. Dell's Vostro line), or via an aggressive reseller and channel strategy (e.g. Acer) are able to tap into this fast growing market segment. This helps to explain the faster than average growth for HP and Acer.

Table 1: Q1'08 Top Nine Brand Notebook PC Shipments

Rank	Brand	Q1'07	Q1'08	Y/Y Change	Q1'08 Share
1	HP	4.608M	6.460M	40%	20.8%
2	Dell	3.228M	4.683M	45%	15.1%
3	Acer	3.415M	4.527M	33%	14.6%
4	Toshiba	2.399M	2.890M	20%	9.3%
5	Lenovo	1.473M	2.321M	58%	7.5%
6	Fujitsu/ Fujitsu-Siemens	1.275M	1.612M	26%	5.2%
7	Apple	0.891M	1.433M	61%	4.6%
8	Asus	0.796M	1.330M	67%	4.3%
9	Sony	1.281M	1.321M	3%	4.2%
	Others	3.759M	4.529M	21%	18.8%
	Total	23.124M	31.108M	35%	100%

Note: Acer's Q1'08 Y/Y growth compares Acer's volume with Q1'07 volumes from Acer, Gateway and Packard Bell.

In the emerging and fast-growing Mini-Note PC market (the class of devices with displays from 4.5" to 10.2" like the Asus Eee PC, Acer Aspire One or HP 2133 Mini-Note), Y/Y growth was an astonishing 3056% and Q/Q growth was more than 70%. Although these products have been on the market for many years—with products such as Fujitsu's Lifebook U810 or OOO's O2—the market began to grow substantially when Asus introduced their Eee PC late in 2007. The low price point and basic feature set has made these devices attractive to many customers. DisplaySearch expects many more brands to enter the market over the next few quarters and is forecasting unit volumes in 2008 to exceed 13M units.

"The Mini-Note PC market is growing incredibly fast, but it is still in its infancy. Although the form factors are small and the features are limited, very aggressive price points for many of these devices are helping to drive growth. It remains to be seen if this market will maintain the astonishing growth of the past few quarters. DisplaySearch does not believe that these products will cannibalize the larger (greater than 10.4") notebook PC market, but will instead add to the market and perhaps even encourage up-sells to larger notebook PCs when users begin to require more powerful, full-featured machines," said John Jacobs, Director of Notebook Market Research at DisplaySearch.

Looking at the rest of 2008, we have not changed our forecast for notebook PC shipments, as we expect shipments to exceed 135M units for the year.

Additional details from Q1'08 as well as forecasts by size and resolution for the notebook PC and mini-note PC markets are covered in *DisplaySearch's Quarterly Notebook PC Shipment and Forecast Report* including a detailed look at all aspects of the notebook PC market, long-term forecasts by size and resolution, the notebook PC display supply chain, and market share by brand.

For more information on the Quarterly Notebook PC Shipment and Forecast Report, please contact sales@displaysearch.com, or contact your regional DisplaySearch offices in Japan, Korea, Taiwan and China.

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