

■ Mini-Note PC (Netbook) Shipments Grow at Twice the Rate of Notebook PCs in Q2'09

AUSTIN, TEXAS, August 31, 2009—In Q2'09, the total notebook PC market posted strong Q/Q and Y/Y growth as units surged past the 38 million mark, as reported in the DisplaySearch Q3'09 [Quarterly Notebook PC Shipment and Forecast Report](#). The mini-note PC (netbook) market was particularly strong, growing 40% Q/Q, which was twice the impressive 22% Q/Q growth rate of larger notebook PCs. The strong growth of mini-note PCs drove their share of the portable computer markets to 22.2% in Q2'09, as shown in Table 1. Asus, the pioneer in mini-note PCs, has been steadily losing share because Tier 1 brands like Acer, HP, Dell, Lenovo and Toshiba have become increasingly aggressive in this segment.

Table 1: Notebook and Mini-Note Share of Portable Computer Shipments

Category	Q2'08	Q1'09	Q2'09
Mini-Note	5.6%	17.8%	22.2%
Notebook PC	94.4%	82.2%	77.8%

Source: DisplaySearch Q3'09 *Quarterly Notebook PC Shipment and Forecast Report*

Mini-note penetration in Latin America and Greater China is higher than notebook PC penetration, as shown in Table 2. The low prices of mini-note PCs make these products more affordable for these emerging markets, and these regions have many first-time PC buyers, who are less likely to require all the bells and whistles available on a larger mainstream notebook PC.

Table 2: Q2'09 Notebook and Mini-Note Shipment Share and Y/Y Growth by Region

Region	Mini-Note PC	Notebook PC	Portable PC	Y/Y Growth
Latin America	6.7%	4.8%	5.2%	64.8%
Greater China	18.6%	13.8%	14.9%	59.7%
Asia Pacific	9.2%	11.5%	11.0%	53.2%
Japan	6.0%	6.1%	6.1%	20.9%
EMEA	32.9%	33.5%	33.4%	14.8%
North America	26.6%	30.2%	29.4%	6.9%
Worldwide	100%	100%	100%	23.0%

Source: DisplaySearch Q3'09 *Quarterly Notebook PC Shipment and Forecast Report*

In many regions, telecom providers have been offering subsidized mini-notes for several quarters, which helped propel growth. In Western European countries, a number of telecoms are subsidizing 100% of the price of the mini-note when the customer signs a two-year data plan contract. In North America, telecom providers are aggressively marketing mini-notes with a two-year data plan contract, while some cable providers are offering heavily discounted mini-notes as an incentive to sign a contract for cable TV, internet and phone service. The incentives have been quite successful in Europe. In North America, these promotions were only test marketed in Q2'09, so there is insufficient data to determine if they will achieve the same measure of success.

Mini-notes have been a significant contributor to the growth in the portable PC market as their very attractive price points make owning a secondary computer viable for many consumers.

"Mini-note PC screen sizes have increased steadily, from 7.0" to 8.9" and then to 10.2". Some panel makers and brands are promoting 11.6" mini-note displays, leading to an overlap with ultraportable notebooks. However, the higher prices of these larger netbooks diminish their cost advantage. In addition to many other key players in the supply chain, Microsoft indicated it is their desire to increase the ASP of mini-notes. A significant increase to the ASP of mini-notes may deter consumers that are predominantly using mini-notes as secondary PCs," said [John F. Jacobs](#), Director of Notebook Market Research.

The DisplaySearch [Quarterly Notebook PC Shipment and Forecast Report](#) is a comprehensive and exclusive compilation of market data from DisplaySearch's industry sources, along with insightful analysis of the state of the notebook PC industry, including the breadth and depth of mini-note and notebook PCs demand in the major geographic regions, and identifying the key variables influencing changing demand patterns in these markets. For information on this DisplaySearch report, contact Charles Camaroto at 1.888.436.7673 or 1.516.625.2452, e-mail contact@displaysearch.com or contact your regional DisplaySearch office in [China](#), [Japan](#), [Korea](#) or [Taiwan](#).

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