HP #1 in Notebook Shipments for 8th Straight Quarter; Acer Struggling to Integrate Gateway and Packard Bell, DisplaySearch Reports

AUSTIN, TEXAS, September 17, 2008—Hewlett Packard (HP) completed Q2'08 with a full two-year run as the world's leading supplier of notebook PCs, DisplaySearch reports in its latest *Quarterly Notebook PC Shipment and Forecast Report*, while Dell remained #2. Much of the growth in the notebook PC market over the past few years was driven by consumer purchases, a market that Dell has had trouble penetrating. Recent efforts by Dell indicate that they have placed a renewed emphasis on growing this segment. Indications are that Dell is having some success in these measures as they have grown Q/Q in each of the past three quarters. However, the brand's success varies from region to region, and in North America, Dell's "home region," their market share is well below 2006 levels. Acer is holding steady at #3 with a 14.4% share of notebook PC shipments, although its share is down Y/Y in both North America and EMEA despite acquiring Packard Bell and Gateway.

"The data calls into question Acer's acquisition of both Gateway/eMachines and Packard Bell. While the move immediately prevented competitors from getting more of a foothold in the rapidly growing US and European retail notebook PC sectors, the last few quarters' results clearly show that Acer is struggling to integrate the Gateway and Packard Bell brands into their portfolio. Both Gateway and Packard Bell were losing notebook PC market share prior to their acquisition, but the acquisition has failed to reverse, or even halt that trend," said John Jacobs, Director of Notebook Market Research and author of the report.

Other report highlights include

- China's accelerating economic modernization also affects the data, as Greater China now accounts for more than 10% of notebook PC shipments.
- The notebook PC panel market has grown vigorously, with revenues up 39% Y/Y.
- The market share of panels with the traditional 4:3 aspect ratio dropped to less than 3% in Q2.

Table 1: North American NB PC Market Share

Brand	Q2'07	Q2'08
Dell	21.6%	21.9%
HP	21.2%	21.4%
Acer (incl. Gateway & Packard Bell)	18.6%	14.4%
Apple	6.6%	10.6%
Toshiba	11.4%	9.0%
All Others	20.3%	22.4%
Total	100.0%	100.0%

Table 2: EMEA NB PC Market Share

Brand	Q2'07	Q2'08
HP	18.9%	20.5%
Acer (incl. Gateway & Packard Bell)	20.9%	17.9%
Dell	11.1%	12.5%
Toshiba	9.5%	11.7%
Asus	5.6%	5.5%
All Others	13.2%	14.0%
Total	100.0	100.0%

Growth of the Portable (from 13.3" to 16.0") category was the strongest in Q2'08, surging to 88.5% share, while Desktop Replacement Notebook PCs (those with 17.0" and larger displays) fell to just 7.5% market share after having been close to 10% in Q2'07.

By contrast, the Ultraportable (from 10.4" to 12.1") category shrank in the quarter to just 4% share. The decline in share in this category was likely a result of the plethora of Mini-Note PCs that were introduced by almost all of the leading PC brands in the quarter. These Mini-Notes are slightly smaller than Ultraportables, but have substantially lower ASPs. While momentum within the industry seems to favor Mini-Note PCs, this holiday season will be the first test in the WW market. Consumer acceptance and questions regarding cannibalization of the mature notebook PC market should be answered. The pros and cons of this new Mini-Note PC category as well as a full industry outlook for the space are covered in DisplaySearch's topical report on the Mini-Note PC market.

DisplaySearch's *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 NB PC industry.

For information on this DisplaySearch report, please contact your DisplaySearch sales representative for more details. If you need further information or assistance please contact us at +1.512.687.1511 or sales@displaysearch.com, or the local DisplaySearch offices in China, Japan, Korea, Taiwan and the United Kingdom.

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