STAMFORD, CT — Second quarter worldwide server shipments grew 1.4% year-over-year- while revenue declined 2.9%, according to research firm **Gartner.**

“The slight unit growth for the second quarter of 2012 was contrasted by a decline in revenue on a global level with geographic variations continuing to be shown based on the ongoing differences in economic conditions by region,” said Jeffrey Hewitt, research vice president at Gartner. “In terms of revenue growth, only Asia/Pacific and the United States produced growth for the quarter—all other regions declined.”

“x86 servers continued to grow but at a moderated rate with 1.8% growth in units for the quarter and a 5.6% increase in revenue. RISC/Itanium Unix servers continued to fall globally for the period – a 14.9% decline in shipments and a 17.9% drop in vendor revenue compared to the same quarter last year. The ‘other’ CPU category, which is primarily mainframes, showed a decline of 3%,” Hewitt said.

From the regional standpoint, the US grew the most significantly in shipments with a 8.4% increase. The US also posted the highest vendor revenue growth at 6.5% for the period.

HP had the lead for the quarter in the worldwide server market based on revenue **(Table 1)**. The company posted worldwide server vendor revenue of $3.7 billion for a total share of 29.1% for the second quarter of 2012 HP’s ProLiant brand was the most significant revenue contributor to its server product lines at 85.4 percent of its total server revenue for the second quarter.

Table 1. Worldwide: Server Vendor Revenue Estimates, 2Q12 (Millions of US Dollars)

Company

2Q12

Revenue

2Q12 Market Share (%)

2Q11

Revenue

2Q11 Market Share (%)

2Q12-2Q11 Growth (%)

HP

3,747,482,751

29.1

3,947,063,788

29.8

-5.1

IBM

3,496,145,346

27.2

3,793,719,541

28.7

-7.8

Dell

1,979,115,827

15.4

1,882,518,660

14.2

5.1

Oracle

772,760,548

6.0

936,121,906

7.1

-17.5

Fujitsu

494,207,683

3.8

836,980,487

6.3

-41.0

Other Vendors

2,369,666,752

18.4

1,844,894,379

13.9

28.4

Total

12,859,378,908

100.0

13,241,298,762

100.0

-2.9

Source: Gartner (August 2012)

In server shipments, HP remained the worldwide leader in the second quarter **(Table 2)** in spite of a shipment decline of 5.6% from the second quarter of last year. This decline was driven primarily by drops in HP's ProLiant and Integrity brands.

In terms of x86-based server form factors, blade servers rose 1.1% in shipments and 7.3% in revenues for the quarter. The x86-based rack-optimized form factor fell 3.1% in shipments and climbed 3.1% in revenue for the second quarter of 2012.

Table 2. Worldwide: Server Vendor Shipment Estimates, 2Q12 (Units)

Company

2Q12

Shipment	**2Q12 Market Share (%)**	**2Q11 Shipment**	**2Q11 Market Share (%)**	**2Q12-2Q11 Growth (%)**
HP	678,963	28.7	719,590	30.8	-5.6

Dell

541,693

22.9

511,507

21.9

5.9

IBM

228,138

9.6

273,718

11.7

-16.7

Fujitsu

60,602

2.6

71,848

3.1

-15.7

Lenovo

52,409

2.2

36,220

1.6
44.7
Other Vendors
804,674
34.0
720,963
30.9
11.6
Total
2,366,479
100.0

2,333,846

100.0

1.4

Source: Gartner (August 2012)

In Europe, the Middle East and Africa (EMEA), server shipments totaled more than 585,000 units in the second quarter, a decrease of 4.4% from the equivalent period last year **(Table 4)**. Server revenue totaled $3.3 billion in the second quarter of 2012, a decline of 11.6% from the equivalent quarter last year
(Table 3)
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"The EMEA server market continues to struggle as a result of broader economic challenges, with the second quarter marking the third consecutive quarter of decline in shipments and the fourth consecutive quarter of revenue decline," said Adrian O'Connell, research director at Gartner. "Each of the three key sub regions saw revenue decline: Eastern Europe by 1.3%, the Middle East and Africa by 0.5% and Western Europe by 14.7%. This weakness was evident in both technological and geographical segments."

As in the first quarter, **Dell** continued to be the only top-five vendor to achieve revenue growth, as each of the other four suffered revenue declines. As such, Dell increased its revenue share by two percentage points in the second quarter. **HP,** in first place, performed slightly better than the market, despite suffering declines in shipments and revenue. **IBM,**
in second place, suffered a 3.1 percentage point loss of share. "It was the vendor most affected by the weakness in the product life cycle, but it will hope to reverse this trend with the

introduction of new, high-end products in future quarters," said O'Connell.

Table 3. EMEA: Server Vendor Revenue Estimates, 2Q12 (Millions of US Dollars)

Company	2Q12 Revenue	2Q12 Market Share (%)	2Q11 Revenue	2Q11 Market Share (%)	2Q12-2Q11 Growth (%)
HP	1,212,283,159				

37.2

1,344,890,506

36.5

-9.9

IBM

843,043,750

25.9

1,070,180,223

29.0

-21.2

Dell

404,799,646

12.4

383,430,650

10.4

5.6

Oracle

221,782,278

6.8

287,295,813

7.8

-22.8

Fujitsu
169,967,630
5.2
189,343,868
5.1
-10.2
Other Vendors
404,067,658
12.4
410,114,621
11.1

-1.5

Total

3,255,944,121

100.0

3,685,255,681

100.0

-11.6

Source: Gartner (August 2012)

Table 4. EMEA: Server Vendor Shipment Estimates, 2Q12 (Units)

Company

2Q12

Shipment

2Q12 Market Share (%)

2Q11

Shipment

2Q11 Market Share (%)

2Q12-2Q11 Growth (%)

HP

243,285

41.6

264,817

43.3

-8.1

Dell

112,997

19.3

106,905

17.5

5.7

IBM

56,637

9.7

68,707

11.2

-17.6

Fujitsu

31,945

5.5

39,437

6.4

-19.0

Cisco

10,300

1.8

6,885

1.1
49.6
Other Vendors
130,140
22.2
125,282
20.5
3.9
Total
585,304
100.0

612,033

100.0

-4.4

Source: Gartner (August 2012)