STAMFORD, CT – Worldwide PC shipments totaled 90.3 million units in the fourth quarter of 2012, a 4.9% decline year-over-year, says **Gartner** in its preliminary results.

For the year, PC shipments were 352.7 million units, down 3.5% compared to 2011. **HP** retained the top spot in the global PC market, accounting for 16% of the market, topping **Lenovo** (14.8%). **Asus** showed the strongest growth among the top five vendors, with shipments increasing 17.1%.

“Tablets have dramatically changed the device landscape for PCs, not so much by ‘cannibalizing’ PC sales, but by causing PC users to shift consumption to tablets rather than replacing older PCs,” said Mikako Kitagawa, principal analyst at Gartner. "[W]e increasingly suspect that most individuals will shift consumption activity to a personal tablet, and perform creative and administrative tasks on a shared PC. There will be some individuals who retain both, but we believe they will be exception and not the norm. Therefore, we hypothesize that buyers will not replace secondary PCs in the household, instead allowing them to age out and shifting consumption to a tablet.

“This transformation was triggered by the availability of compelling low-cost tablets in 2012, and will continue until the installed base of PCs declines to accommodate tablets as the primary consumption device,” Kitagawa said. “On the positive side for vendors, the disenfranchised PCs are those with lighter configurations, which mean that we should see an increase in PC average selling prices as users replace machines used for richer applications, rather than for consumption.”

During the holiday season, consumers no longer viewed PCs as the number one gift item. Given a burgeoning variety of increasingly more attractive devices and services, consumers directed their attention elsewhere. Analysts said there was uptake of very low priced notebooks as a part of mega holiday deals, but this uptake did little to boost holiday PC sales, says the firm.

HP regained the top position in worldwide PC shipments in the fourth quarter. However, the company’s shipments did not grow compared to a year ago. Analysts said HP most likely gave up a certain margin level to gain market shares. Lenovo dropped to No. 2 in the quarter but experienced the best growth rate (8.2%) among the top five PC vendors worldwide. Lenovo’s growth exceeded regional growth rates in North America, EMEA and Asia/Pacific, but was lower than the industry average in Latin America and Japan. In North America, Lenovo performed well by expanding in the retail market and protecting professional market. **Dell** performed weakly, losing nearly 2% share in the fourth quarter. Among the top five vendors, only Lenovo showed year-on-year growth, and its strong performance in the quarter helped it displace Acer from the

No. 2 position.

In the US, PC shipments totaled 17.5 million units in the fourth quarter, down 2.1% year-over-year. Most PC vendors were able to ship Windows 8 PCs to the retail space. However, PC sell-through was rather weak, leaving some level of inventory concerns for vendors in the consumer market, says Gartner. PC shipments in EMEA totaled 28.1 million units, a 9.6% decrease from the fourth quarter of 2011. Western Europe remained the weak point across EMEA, as Central and Eastern Europe and the Middle East and Africa saw growth sequentially. Shipments in Asia/Pacific totaled 29.9 million units in the fourth quarter, down 1.8% year-over-year.

The launch of Microsoft's Windows 8 did not have a significant impact on PC shipments in the quarter, according to Gartner. Analysts said some PC vendors offered somewhat lackluster form factors in their Windows 8 offerings and missed the excitement of touch. New products are coming to market, and this could drive churn within the installed base.

"The launch of Windows 8 had no impact on PC demand, especially as ultramobile products were both limited in supply, as well as being priced too high," said Ranjit Atwal, research director at Gartner. "The holiday season mostly saw retailers clearing Windows 7 notebook inventory or driving volume of low-end notebooks. Furthermore, the increasing choice of tablets at decreasing price points no doubt became a favorite Christmas present ahead of PCs."

"In the fourth quarter of 2012, mobile PC shipments decreased 11%, while desktop PC shipments declined 6% year-on-year," said Isabelle Durand, principal research analyst at Gartner. "However, all-in-one form factor models from Asus, Lenovo and HP look like a promising platform for the future."