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Tablet Surge and Notebook Growth to Lift PC Shipments in 2011

Portable systems forecast to represent 62% of PCs sold this year, says IC Insights' update

After recording strong unit growth of 19% in the 2010 recovery year, personal computer shipments are now expected to rack up a 13% increase to 402 million systems worldwide in 2011 thanks to the rapid spread of PC sales in developing countries and the consumer market's year-old love affair with new tablet-style touch-screen computers. According to a new update to IC Insights' 2011 *Integrated Circuit Market Drivers* report, sales of tablet PCs—like Apple's highly successful iPad series—are forecast to grow more than 190% to 49 million systems in 2011, up from nearly 17 million in 2010.

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The surge in tablets and a 14% increase in sales of standard notebook computers (to 182 million units in 2011) is expected to drive up total portable PC shipments by 23% to 250 million systems worldwide this year, following 30% growth in 2010, says the new *IC Market Drivers* update, which is available to subscribers of the report. Portable computers are forecast to account for 62% of worldwide PC shipments in 2011, compared to 58% of the total in 2010 and just 31% in 2005. The shift to mobile personal computers continues to gain strength, and IC Insights now expects 72% of PCs sold in 2014 to be portable systems, with tablets accounting for 24% of the projected 557 million units sold that year—up from 5% of the 355 million PCs sold in 2010 (Figure 1).

Overall, IC Insights is lifting its forecast for tablet computer shipments in the next four years while lowering the projection for inexpensive netbook computers, which are in a tailspin after briefly being the "hottest new thing" in the PC market in 2008 and 2009. Unlike other market research firms, IC Insights continues to see tablets as being part of the broader PC market because these systems are designed to handle many of the most popular personal-computing applications, such as Internet Web browsing, e-mail, video downloading, access to online publications, computer games, digital photos, and social networking. While most of today's touch-screen tablets are best suited for accessing and viewing digital content, their use in content creation is increasing. It won't be long before new hardware designs and software enhancements bring tablet and notebook capabilities much closer together. (*Dedicated*

electronic-book readers, such as Amazon.com's Kindle e-book platforms, are not seen as PCs and are tracked separately as consumer-media systems by IC Insights.)

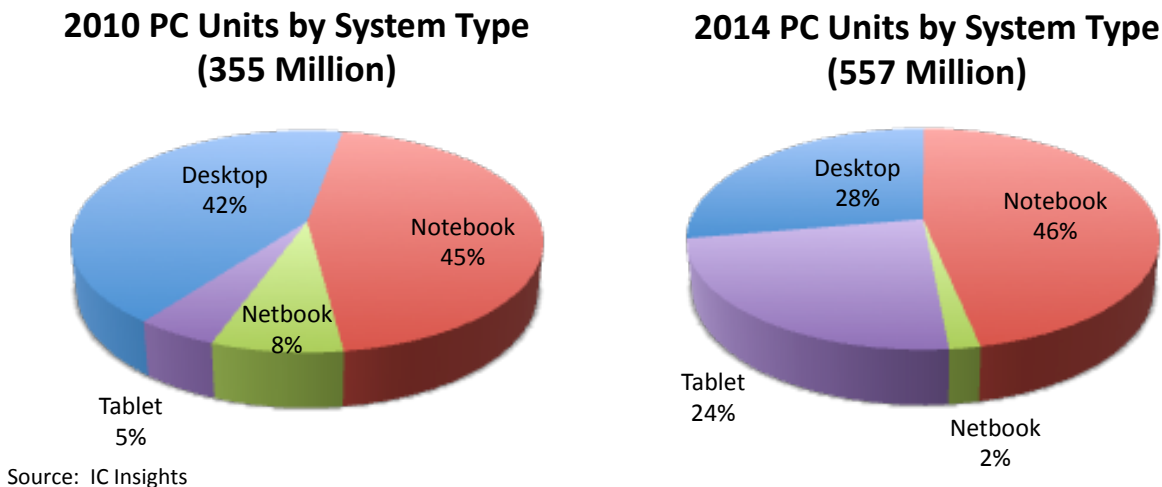


Figure 1

IC Insights' PC outlook shows tablet computer units climbing at a CAGR of 152% in the 2009-2014 period and reaching 132 million systems in the next four years. Meanwhile, netbook shipments are expected to fall by a 17% CAGR to just 10 million systems in 2014 from 26 million units in 2009. Standard notebook PCs are projected to grow at an average annual rate of 15% per year to 260 million in the five-year period, while desktop computers are forecast to have a 2% CAGR, with unit sales reaching 155 million in 2014, according to the new *IC Market Drivers* update.

Report Details

IC Insights has released its update to its 2011 *IC Market Drivers* report. The 100-page update provides new data and forecast information on the end-use markets that are big users of ICs. The 2011 *IC Market Drivers* report details and forecasts automotive and other electronic systems that are driving the IC market. It examines leading applications for ICs and evaluates the potential growth for new applications that are expected to fuel the market for ICs through 2014. **Price:** (original report plus the update): **\$2,990** in electronically delivered PDF format (including single-user Internet password); **\$6,190** for multi-user corporate license (includes PDF, CD, and multi-user Internet access password). Visit <http://www.icinsights.com/services/ic-market-drivers/> for more information.

About IC Insights

IC Insights, Inc., based in Scottsdale, Arizona USA, is dedicated to providing high-quality, cost-effective market research for the semiconductor industry. Founded in 1997, IC Insights offers coverage of global economic trends, the semiconductor market forecast, capital spending and fab capacity trends, product market details, and technology trends, as well as complete IC company profiles and evaluations of end-use applications driving demand for ICs.

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