



# Computer Hardware in the United States

Industry Profile

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## EXECUTIVE SUMMARY

### **Market Value**

The United States computer hardware market grew by 5% in 2007 to reach a value of \$102.4 billion.

### **Market Value Forecast**

In 2012, the United States computer hardware market is forecast to have a value of \$123.8 billion, an increase of 20.9% since 2007.

### **Market Segmentation I**

Personal computer sales form the most lucrative segment of the United States computer hardware market, accounting for 52.4% of the market's revenues.

### **Market Segmentation II**

The United States computer hardware market accounts for 25.6% of global revenues.

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## **CHAPTER 1 MARKET OVERVIEW**

### **1.1 Market Definition**

The computer hardware market consists of personal computers, servers, mainframes, workstations, and peripherals. The market value figure relates to end-user spending on hardware. Market segmentations relate to spending on personal computers and other computer hardware (including mainframes, servers, and peripherals). Any currency conversions have been carried out at constant 2007 annual average exchange rates.

For the purposes of this report, Europe is composed of Belgium, Denmark, France, Germany, Italy, the Netherlands, Norway, Spain, Sweden, the United Kingdom, the Czech Republic, Hungary, Poland, and Russia.

Asia-Pacific is composed of Australia, China, India, Japan, South Korea, Taiwan and Singapore.

The Americas is composed of Brazil, Canada, Mexico, and the United States

The global market consists of the Americas, Asia-Pacific, and Europe.

### **1.2 Research Highlights**

The US computer hardware market generated total revenues of \$102.4 billion in 2007, this representing a compound annual growth rate (CAGR) of 4.4% for the period spanning 2003-2007.

Personal computer sales proved the most lucrative segment for the US computer hardware market in 2007, generating total revenues of \$53.6 billion, equivalent to 52.4% of the market's overall value.

The performance of the market is forecast to decelerate, with an anticipated CAGR of 3.9% for the five-year period 2007-2012 expected to drive the market to a value of \$123.8 billion by the end of 2012.

### 1.3 Market Analysis

The US computer hardware market posted moderate and steady rates of growth throughout the 2003-2007 period. This trend of moderate growth is expected to continue over the forthcoming five years.

The US computer hardware market generated total revenues of \$102.4 billion in 2007, this representing a compound annual growth rate (CAGR) of 4.4% for the period spanning 2003-2007. In comparison, the European and Asia-Pacific markets grew with CAGRs of 4.2% and 6.5% over the same period to reach respective values of \$124.1 billion and \$138.4 billion in 2007.

Personal computer sales proved the most lucrative segment for the US computer hardware market in 2007, generating total revenues of \$53.6 billion, equivalent to 52.4% of the market's overall value. In comparison, sales of other computer hardware generated revenues of \$48.8 billion in 2007, equating to the remaining 47.6% of the market's aggregate revenues.

The performance of the market is forecast to decelerate, with an anticipated CAGR of 3.9% for the five-year period 2007-2012 expected to drive the market to a value of \$123.8 billion by the end of 2012. Comparatively, the European and Asia-Pacific markets will grow with CAGRs of 5.9% and 7.2% over the same period to reach respective values of \$165.6 billion and \$196.2 billion in 2012.

## CHAPTER 2 MARKET VALUE

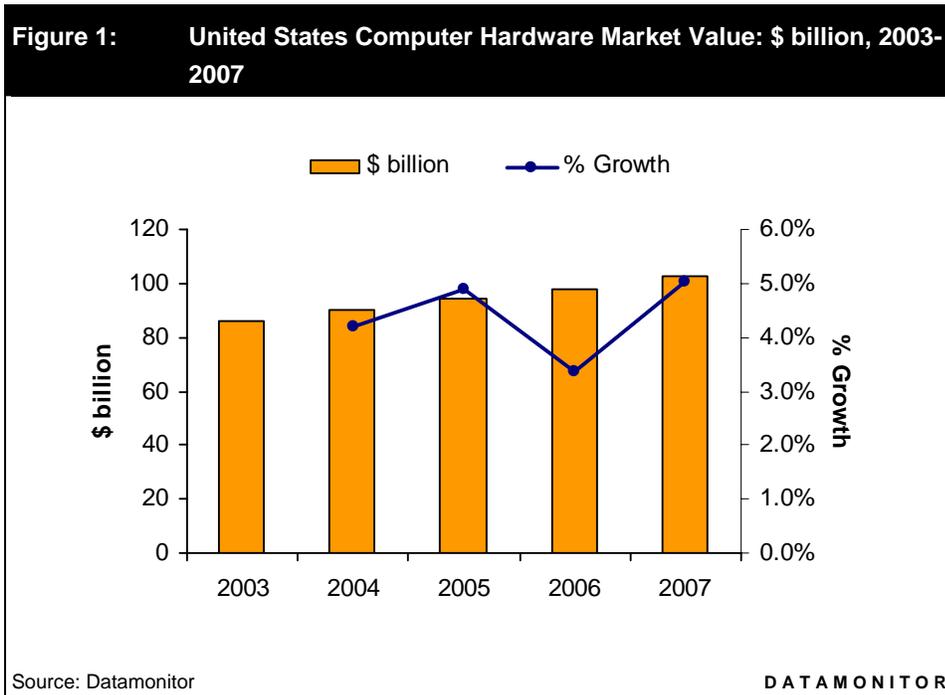
The United States computer hardware market grew by 5% in 2007 to reach a value of \$102.4 billion.

The compound annual growth rate of the market in the period 2003-2007 was 4.4%.

**Table 1: United States Computer Hardware Market Value: \$ billion, 2003-2007**

Year	\$ billion	% Growth
2003	86.3	
2004	89.9	4.20%
2005	94.3	4.90%
2006	97.5	3.40%
2007	102.4	5.00%
<b>CAGR, 2003-2007:</b>		<b>4.4%</b>

Source: Datamonitor DATAMONITOR



### CHAPTER 3 MARKET SEGMENTATION I

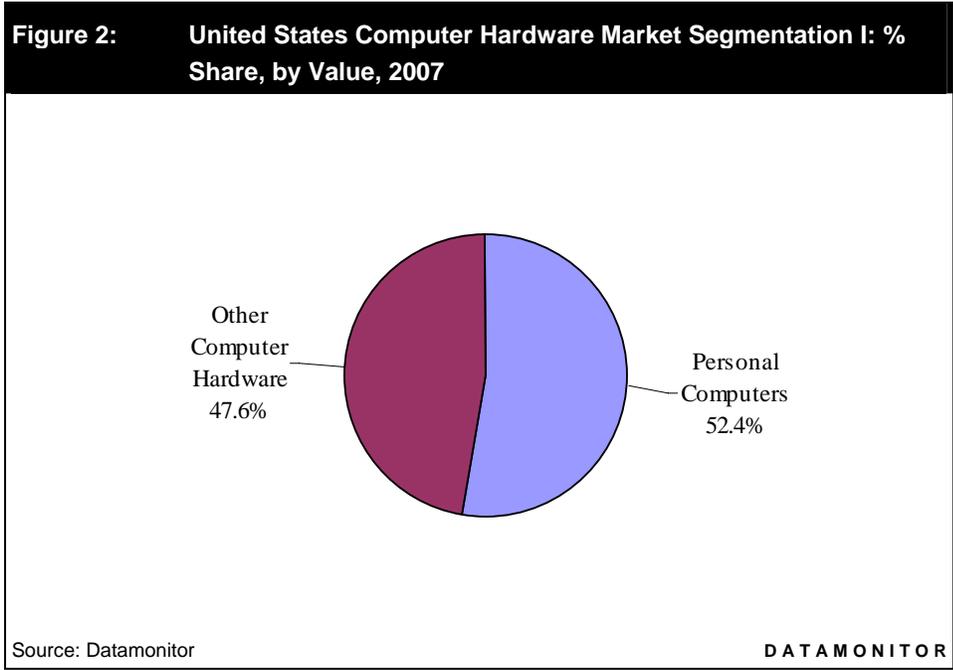
Personal computer sales form the most lucrative segment of the United States computer hardware market, accounting for 52.4% of the market's revenues.

Sales of other computer hardware generate the remaining 47.6% of the market's value.

**Table 2: United States Computer Hardware Market Segmentation I: % Share, by Value, 2007**

Category	% Share
Personal Computers	52.40%
Other Computer Hardware	47.60%
<b>Total</b>	<b>100.0%</b>

Source: Datamonitor DATAMONITOR



## CHAPTER 4 MARKET SEGMENTATION II

The United States computer hardware market accounts for 25.6% of global revenues.

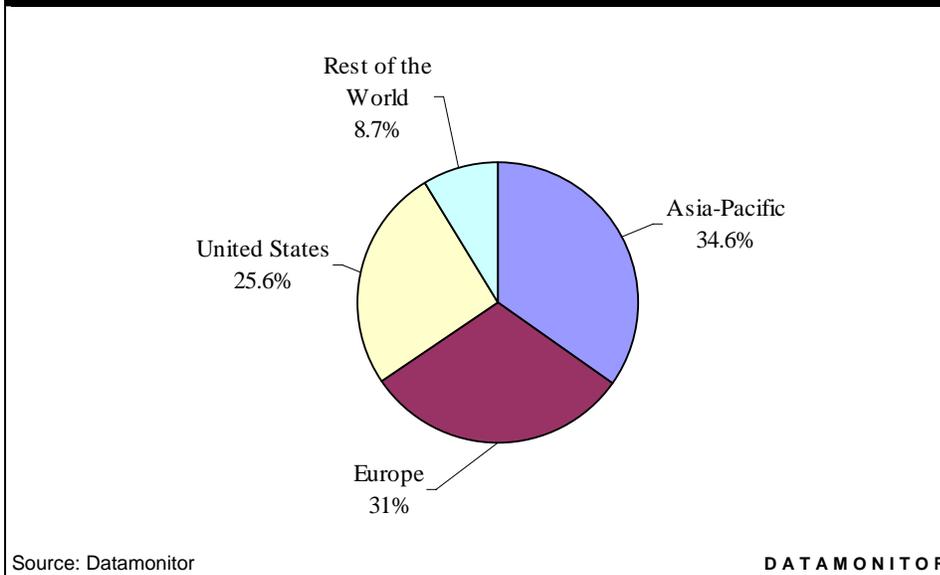
Asia-Pacific is the most lucrative region, generating 34.6% of the global market's value.

**Table 3: United States Computer Hardware Market Segmentation II: % Share, by Value, 2007**

Geography	% Share
Asia-Pacific	34.60%
Europe	31.00%
United States	25.60%
Rest of the World	8.70%
<b>Total</b>	<b>100.0%</b>

Source: Datamonitor DATAMONITOR

**Figure 3: United States Computer Hardware Market Segmentation II: % Share, by Value, 2007**



## CHAPTER 5 COMPETITIVE LANDSCAPE

The major buyers of computer hardware are business customers, to whose operations such equipment is often indispensable. Business customers often have supply contracts with individual manufacturers and therefore often incur significant switching costs. Although customer loyalty to specific manufacturers is relatively low, brand awareness is high, which restricts the entry of new players into the market somewhat.

The major computer hardware manufacturers are relatively large companies. The trend for outsourced manufacturing and assembly displaces one component of fixed costs to the EMS firms, who are responsible for maintaining extensive production facilities; this tends to weaken rivalry between players in the market.

The computer hardware market will be analyzed by taking manufacturers as players and end-users as buyers. The use of computer hardware is ubiquitous within domestic and professional environments and, therefore, sales are high, which consequently weakens buyer power. Major buyers of computer hardware are business customers for whose operations such equipment is often indispensable.

Business customers often have supply contracts with individual manufacturers and therefore often incur significant switching costs. Although brand awareness is high, in general, customers are more interested in the quality and specifications of individual products, and customer loyalty is therefore relatively low. Overall, buyer power within the computer hardware market is moderate.

Major suppliers to the computer hardware market are electronic component manufacturers, including integrated circuit manufacturers. The majority of components used in the manufacture of computer hardware display minimal differentiation between suppliers and, in order to reduce costs, are often sourced from companies operating from low-cost manufacturing regions. Manufacturers do not incur significant costs when switching basic component suppliers and, in such instances, supplier power is low.

However, Intel, the leading manufacturer of CPUs, has considerable supplier power over manufacturers due to the substantial brand power of its products, which are incorporated into a large proportion of hardware on the market. In dominating the market in this fashion, Intel wields considerable supplier power and can charge manufacturers substantial licensing fees for the use of its brand name. In the computer hardware market, an original equipment manufacturer (OEM) typically outsources a large proportion of its manufacturing to electronic manufacturing service (EMS) and original design manufacturing (ODM) companies.

Such contract production companies are key suppliers and are heavily involved in the production process, providing them with significant supplier power due to high switching costs for manufacturers. Overall, supplier power with respect to computer hardware manufacturing is strong.

Although customer loyalty to specific manufacturers is relatively low, brand awareness is high, which restricts the entry of new players into the market somewhat. Capital outlay and fixed costs can be significant for OEMs intending to carry out manufacturing in-house, although situating these operations in low-cost regions such as Southeast Asia, or following the increasingly popular strategy of outsourcing to EMS/ODMs, can reduce these entry barriers. Strong growth in the market's revenues makes it attractive to new players. Overall, the threat of new entrants into the computer hardware market is moderate.

The threat of substitutes within the computer hardware market is moderate, with much of the functionality of modern PCs being unavailable through alternative means. However, one of the largest threats to the consumer PC market lies within the sphere of gaming, especially with respect to the next generation games consoles, whose increased specifications are attracting gamers away from the PC format. Mobile phones and similar hand-held devices with email and web browser capability can also supplant much of the communication role of PCs.

The major computer hardware manufacturers are relatively large companies. Some, such as Lenovo, are strongly focused on the PC market whereas others, like IBM, have broadly diversified businesses. The trend for outsourced manufacturing and assembly displaces one component of fixed costs to the EMS firms, who are responsible for maintaining extensive production facilities; this tends to weaken rivalry between players in the market. Strong market growth has a similar effect, making it possible for a player to increase its revenues without necessarily taking much from competitors. Overall, rivalry is moderate.

## CHAPTER 6 LEADING COMPANIES

### 6.1 Dell Inc.

<b>Table 4: Key Facts: Dell Inc.</b>	
Address:	One Dell Way, Round Rock, Texas 78682, USA
Telephone:	1 512 338 4400
Fax:	1 512 283 6161
Website:	www.dell.com
Financial Year-End:	February
Ticker:	DELL
Stock Exchange:	NASDAQ
Source: Company Website	
<b>DATAMONITOR</b>	

Dell designs, develops, manufactures, markets, sells and supports information technology systems and services. The company also offers various financing alternatives, asset management services and other customer financial services for its business and consumer customers in the US through Dell Financial Services (DFS), a joint venture between Dell and CIT Group. The company sells its products directly to large corporate, government, healthcare, and education customers as well as small-to-medium businesses and individual consumers. Dell operates principally in the Americas, Europe, the Middle East and Africa, and Asia Pacific-Japan.

Dell offers its products in six categories: desktop computer systems, mobility products, software and peripherals, servers and networking products and storage products.

The desktop computer systems offer three product lines: Optiplex, Dimension and XPS. The company also offers 'Precision' work stations. The Optiplex product line focuses on business, government, and institutional customers; the Dimension product line focuses on small businesses and home users; and XPS product line focuses on gaming or entertainment needs of the customers. It provides 'Precision' workstations for professional users to run sophisticated applications such as three-dimensional computer-aided design, digital content creation, geographic information systems, computer animation, software development and financial analysis.

The mobility products division provides MP3 players, handhelds (Dell Axim) and three lines of notebooks (Dell XPS, Latitude and Inspiron). The XPS product line for notebooks targets customers in the gaming or entertainment segment. The Latitude product line focuses on business, government, and institutional customers, while the Inspiron product line is targeted at small businesses. Dell is a leading player in the US and worldwide for notebook computer shipments.

The software and peripheral products of Dell includes printers (photo, ink-jet and laser) and displays (CRT monitors, flat panel monitors, projectors, and plasma and LCD TVs), various software, notebook accessories, networking and wireless products, digital cameras, power adapters, scanners and other products. The company offers various third party software products such as operating systems, business and office applications, anti-virus and related security software and entertainment software.

The servers and networking product division offers various servers and networking products. The company's power edge line of server focuses on enterprise customers and small organizations. Dell is the market leader in the US in shipments of x86 servers. The company's PowerConnect switches connect computers and servers in small to medium-sized networks.

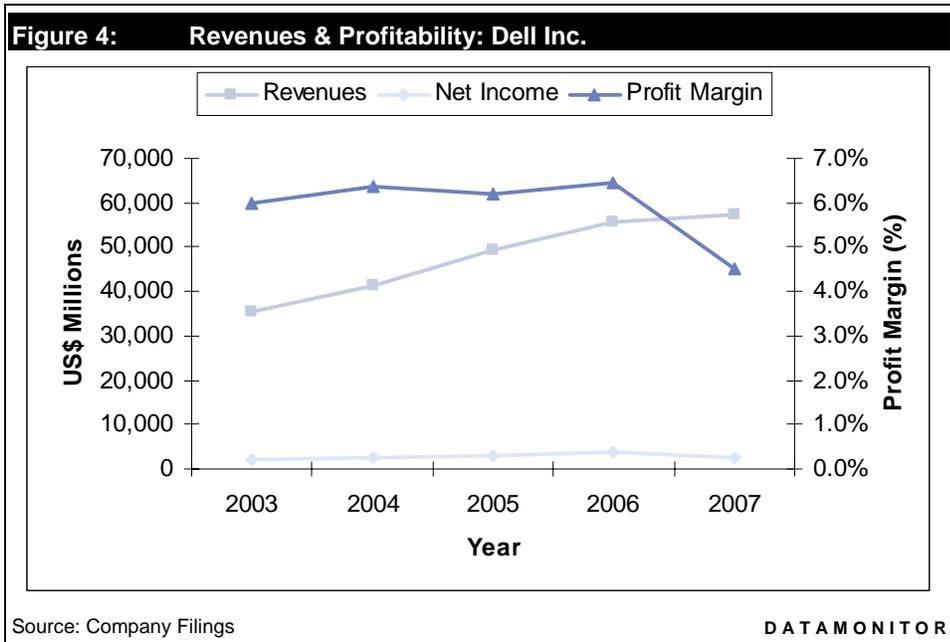
The storage product division offers storage solutions, including Dell-EMC and Dell's PowerVault lines of storage devices. It also offers tape backup products, direct attached storage, network attached storage and storage area networks.

Dell is known for its direct business model, under which it directly sells to the customer eliminating wholesale and retail dealers. As a result, Dell is able to offer customers superior value by avoiding expenditures associated with the retail channel such as higher inventory carrying costs, obsolescence associated with technology products, and retail mark-ups. In 2007, however, the company in a major departure from its earlier policy started retailing its products through Wal-Mart. Dell manufactures most of the products and has manufacturing locations worldwide.

**Key Metrics**

<b>Table 5: Key Financials: Dell Inc.</b>					
<b>Metric</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Revenues	35,404.0	41,444.0	49,205.0	55,788.0	57,420.0
Net Income	2,122.0	2,645.0	3,043.0	3,602.0	2,583.0
Profit Margin	6.0%	6.4%	6.2%	6.5%	4.5%
Total Assets	15,470.0	19,311.0	23,215.0	23,252.0	25,635.0
Total Liabilities	10,597.0	13,031.0	16,730.0	19,205.0	21,196.0
Employees	39,100	46,000	55,200	65,200	83,000

Source: Company Filings DATAMONITOR



## 6.2 International Business Machines Corporation

<b>Table 6: Key Facts: International Business Machines Corporation</b>	
Address:	New Orchard Road, Armonk, NY 10504, USA
Telephone:	1 914 499 1900
Fax:	1 914 765 7382
Website:	www.ibm.com
Financial Year-End:	December
Ticker:	IBM
Stock Exchange:	New York
Source: Company Website	
<b>DATAMONITOR</b>	

International Business Machines Corporation (IBM) is an information technology company. IBM provides business, technology and consulting services. The company develops and manufactures products and services related to advanced information technology, including computer systems, software, storage systems and microelectronics. The company business operations offer a range of services and technologies which includes, hardware, software, financing, research and chip technologies. The company operates in over 170 countries across North America, Latin America, Europe, Middle East, Africa and Asia Pacific.

IBM's clients include a range of enterprises, from sole proprietorships to the world's largest organizations, governments and companies. The company provides products and services across different industries including financial services, public, industrial, distribution, communications, small and medium business, and original equipment manufacturer (OEM).

A majority of the company's enterprise business, which excludes the company's original equipment manufacturer (OEM) technology business, occurs in industries that are broadly grouped into six sectors:

The financial services include banking, financial markets and insurance. The public sector includes education, government, healthcare and life sciences. The industrial sector includes aerospace, automotive, defense, chemical and petroleum, electronics. The distribution sector comprises of consumer products, retail, travel, transportation. The communications sector comprises telecommunications, media and entertainment, energy and utilities and the small and medium business consists of mainly companies with less than 1,000 employees.

The company also distributes its products and services through two categories internal routes to market and business partners routes to market. The internal routes to market include services consultants, hardware and software brand specialists and ibm.com. The business partners routes to market include global and major independent software vendors (ISVs), global and major systems integrators (SIs), regional ISVs and SIs, and solutions providers, resellers and distributors.

IBM operates through four operating segments: global services, systems and technology group, software and global financing.

The global services segment provides insight and solutions to clients including IBM software and hardware and other suppliers' products. Contracts for IBM services, called as signings, range from less than one year to over 10 years. Global Services signings are management's initial estimate of the value of a client's commitment under a global services contract. Signings are used by management to assess period performance of global services management. Signings include strategic outsourcing (SO), business transformation outsourcing (BTO), integrated technology services (ITS) and global business services (GBS) contracts. Within global services, there are two reportable segments: global technology services and global business services.

The global technology services segment comprises primarily infrastructure services. The infrastructure services include outsourcing services, integrated technology services and maintenance.

The global business services segment comprises primarily professional services. The professional services includes consulting, systems integration and application management services.

The global services segment provides business process services (BPS), consulting and systems integration (C&SI) services, strategic outsourcing services (SO), integrated technology services (ITS), maintenance services, application management services (AMS) and applications on demand (AoD) solutions.

The systems and technology group provides IBM's clients with business solutions requiring advanced computing power and storage capabilities. Approximately 55% of the systems and technology group's server and storage sales transactions are through business partners; approximately 45% are direct to end-user clients, more than half of which are through the internet at ibm.com. The group also provides semiconductor technology and products, packaging solutions and engineering technology services to clients and for IBM's own advanced technology needs. The company deploys its hardware services to support services solutions. The systems and technology group sells the equipment that it purchases from global financing to external clients.

The system segment includes IBM systems using IBM operating systems (System z and System i), AIX, the IBM UNIX operating system (System p and BladeCenter) and the Microsoft Windows operating system (System x and BladeCenter). All servers can also run Linux, a key open source operating system. The company systems segment includes storage products, microelectronics products, engineering and technology services, printing systems and retail store solutions.

The software segment consists primarily of middleware and operating systems software. The middleware software enables clients to integrate systems, processes and applications across a standard software platform. IBM middleware is designed to open standards which allow the integration of unrelated client applications that may have been built internally, provided by package software vendors and system integrators. In addition, software includes product lifecycle management software which primarily serves the industrial sector. Approximately 25% of software transactions are sold through business partners.

Also, 50% of external software revenue relates to one time charge (OTC) arrangements, where the client pays one up front payment for a perpetual license. The remaining annuity based revenue consists of both maintenance revenue sold with OTC arrangements and revenue from software sold on a recurring license charge arrangement. Typically, arrangements for the sale of OTC software include one year of maintenance. The client can also purchase ongoing maintenance after the first year, which includes product upgrades and technical support. The company deploys its software services to support service solutions.

The software segment provides information management software, Lotus software, rational software, Tivoli software, websphere software, product lifecycle management (PLM), and operating systems.

The global financing segment includes investments in financing assets, manages the associated risks and leverages with debt. The global financing segment comprises three lines of business: client financing, commercial financing and remarketing.

Client financing provides lease and loan financing to end users and internal clients for terms generally between two and seven years. Internal financing is predominantly in support of Global Services' long-term client services contracts. Global financing also factors a selected portion of the company's accounts receivable, primarily for cash management purposes. All internal financing arrangements are at arm's-length rates and are based upon market conditions.

Commercial financing provides primarily short-term inventory and accounts receivable financing to dealers and re-marketers of IT products.

Remarketing sells and leases used equipment to new and existing clients both externally and internally. This equipment is primarily sourced from the conclusion of lease transactions. Externally re-marketed equipment revenue represents sales and leases to clients and resellers. Internally re-marketed equipment revenue primarily represents used equipment that is sold and leased internally to the systems and technology group and global services segments.

The primary use of funds in global financing is to originate client and commercial financing assets. Client financing assets for end users consist primarily of IBM hardware, software and services, but also include non-IBM equipment, software and services to meet clients' total solutions requirements. Client financing assets are primarily sales type, direct financing, operating leases for equipment, and loans for hardware, software and services with terms generally for two to seven years. Global Financing's client loans are primarily for software and services, and are unsecured. These loans are subjected to credit analysis in order to mitigate the associated risk. Unsecured loan agreements include credit protective language, security deposit advances and dollar limits on how much can be financed in order to minimize credit risk.

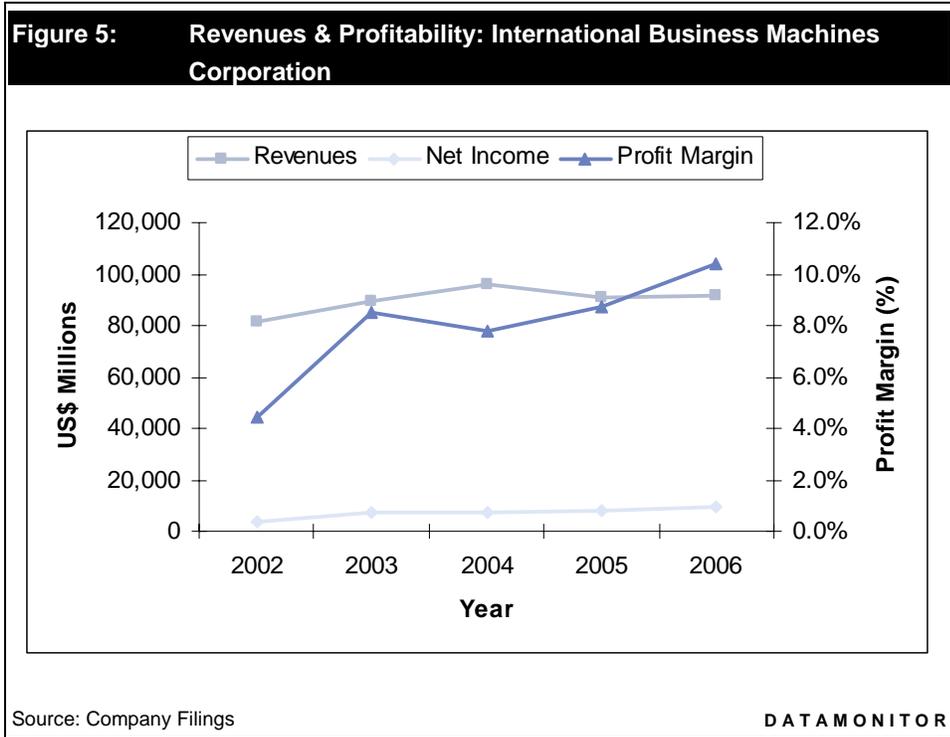
Commercial financing receivables arise primarily from inventory and accounts receivable financing for dealers and remarketers of IBM and non-IBM products. Payment terms for inventory financing and accounts receivable financing generally range from 30 to 90 days. These short-term receivables are primarily unsecured and are also subject to additional credit actions in order to mitigate the associated risk.

**Key Metrics**

**Table 7: Key Financials: International Business Machines Corporation**

Metric	2002	2003	2004	2005	2006
Revenues	81,186.0	89,131.0	96,293.0	91,134.0	91,424.0
Net Income	3,579.0	7,583.0	7,479.0	7,934.0	9,492.0
Profit Margin	4.4%	8.5%	7.8%	8.7%	10.4%
Total Assets	96,484.0	104,457.0	109,183.0	105,748.0	103,234.0
Total Liabilities	73,702.0	76,593.0	79,436.0	72,650.0	74,728.0
Employees	315,889	319,273	329,001	329,373	355,766

Source: Company Filings DATAMONITOR



### 6.3 Sun Microsystems, Inc.

<b>Table 8: Key Facts: Sun Microsystems, Inc.</b>	
Address:	4150 Network Circle, Santa Clara, California 95054, USA
Telephone:	1 650 960 1300
Fax:	1 408 276 3804
Website:	www.sun.com
Financial Year-End:	June
Ticker:	JAVA
Stock Exchange:	NASDAQ
Source: Company Website	
<b>DATAMONITOR</b>	

Sun Microsystems (Sun) is a leading software company specialist in providing network computing products and services. The company's key products include Java, a programming language; Solaris, an operating system; and Sparc, a microprocessor chip. The company undertakes manufacturing primarily in Oregon, Puerto Rico and Scotland and distributes its products from its facilities and partners facilities located in California, Puerto Rico, the Netherlands and Japan. Its research and development are carried out principally in the US, the UK, France, Ireland, Germany, Japan, China, Russia, Czech Republic and India.

The company's operations are categorized into two segments: products group and services group.

The product group segment consists of two units: computer systems and data management products and a range of software and services related to both systems and storage. Under the computer systems the company offers a full line of scalable workgroup and enterprise servers. The company's UltraSPARC microprocessors and software, are designed, developed and produced as integrated systems for network computing environments.

The company offers a range of servers from data center computing servers through entry servers and blade systems. The data center servers include the Sun Fire E25K and Sun Fire E20K are used for server consolidations, application migrations, data mining and warehousing, custom applications, on-line transaction support, enterprise resource planning, technical computing and databases. The company also offers enterprise servers like Sun Fire E6900, E4900, E2900 and V1280 (used for data centers and enterprise-scale network computing); entry server systems; and CoolThreads servers.

The company's desktops and workstations are used for a range of business and technical activities such as software development, mechanical design, financial analysis and education. The products offered under this category, include 64 bit workstations; graphics accelerator boards; x64 processor based workstations; and thin Sun Ray Ultra-Thin Client products. The offerings also include Sun Ultra 25, Sun Ultra 45, and Sun Ultra 3 mobile workstation, using SPARC processors for graphics, visualization and compute applications. Apart from these, it also provides Sun Ultra 20 and Sun Ultra 40 workstations, which are AMD processor based workstations that support Linux, Microsoft and the Solaris operating Systems.

The processor and network products include two UltraSPARC processor lines: the data intensive processor line and the UltraSPARC T1 processor featuring CoolThreads technology.

The products group segment also offers software and services for computer systems, including infrastructure software systems; software for desktop systems; developer software; and infrastructure management software. Its software products include Solaris operating system; Java Technology, for development of application software; Sun Java Enterprise System, for enterprise information, applications and intranets and internet; Sun Java Studio Developer Tools, designed to aid in application development and integration; Sun Java Desktop System, which includes all the key components of a user's environment; and Sun Java Composite Application Suite, contains all the components to develop and deploy a service oriented architecture platform.

This segment also offers storage systems comprising storage components, software and services. The company's storage products include tape storage; enterprise tape libraries; entry and midrange tape libraries; disk systems product line; data center; entry level or workgroup disks; storage networking products; and storage management software. The tape storage products include tape libraries, tape drives, tape virtualization systems, tape media and tape device software. The enterprise tape libraries are used for traditional data protection and archive solutions. The entry and midrange tape libraries are used for traditional data protection and archive based solutions. The disk systems product line includes data center disks, midrange and workgroup systems as well as specialized storage arrays. The data centers are used for direct attach storage or storage area network solutions. The entry level or workgroup disks are low cost modular arrays.

The storage networking products include Sun OEMs SAN switch technology and storage management software includes Java StorEdge software and Sun Grid Storage utility. The Java StorEdge software which is open, integrated and automated storage management software family; and Sun Grid Storage utility is used for standardized, open and grid based computing infrastructure.

The services group segment offers support and managed services; and professional and educational services. The company's support and managed services operates under SunSpectrum Support Services brand. This service is sold separately or packaged with hardware, software and peripherals as a single price support service. The company's software support is primarily delivered by software support engineers. The company also offers Sun Connection, an integrated, secure network services connection.

The company's professional services include consulting, platform integration, enterprise systems management and operation services primarily providing solutions to systems, storage, software and services. The operation of the company includes network security and identity management; wireless network based systems; and advanced Sun Java System software integration solutions.

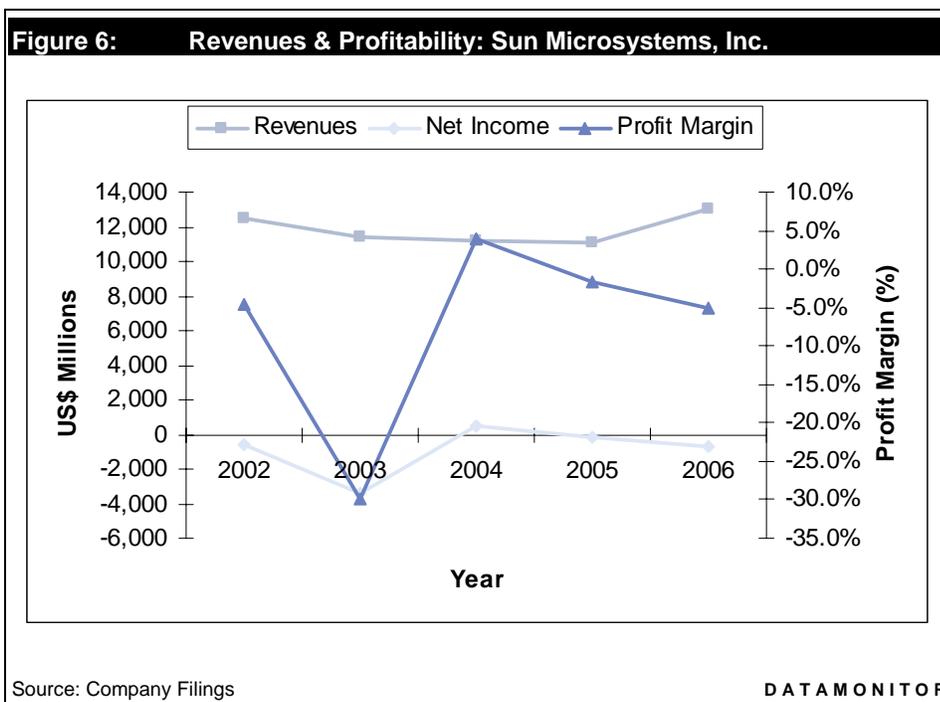
Under educational services, the company develops and delivers integrated learning solutions for enterprises, IT organizations and individual IT professionals. The company also offers education consulting services, learning management technologies, multi-mode learning content and professional certifications.

Key Metrics

**Table 9: Key Financials: Sun Microsystems, Inc.**

Metric	2002	2003	2004	2005	2006
Revenues	12,496.0	11,434.0	11,185.0	11,070.0	13,068.0
Net Income	-587.0	-3,429.0	437.0	-184.0	-675.0
Profit Margin	-4.7%	-30.0%	3.9%	-1.7%	-5.2%
Total Assets	16,522.0	12,985.0	14,503.0	14,190.0	15,082.0
Total Liabilities	6,721.0	6,494.0	8,065.0	7,516.0	8,738.0
Employees	39,100	36,100	32,600	31,000	38,000

Source: Company Filings DATAMONITOR



## CHAPTER 7 MARKET FORECASTS

### 7.1 Market Value Forecast

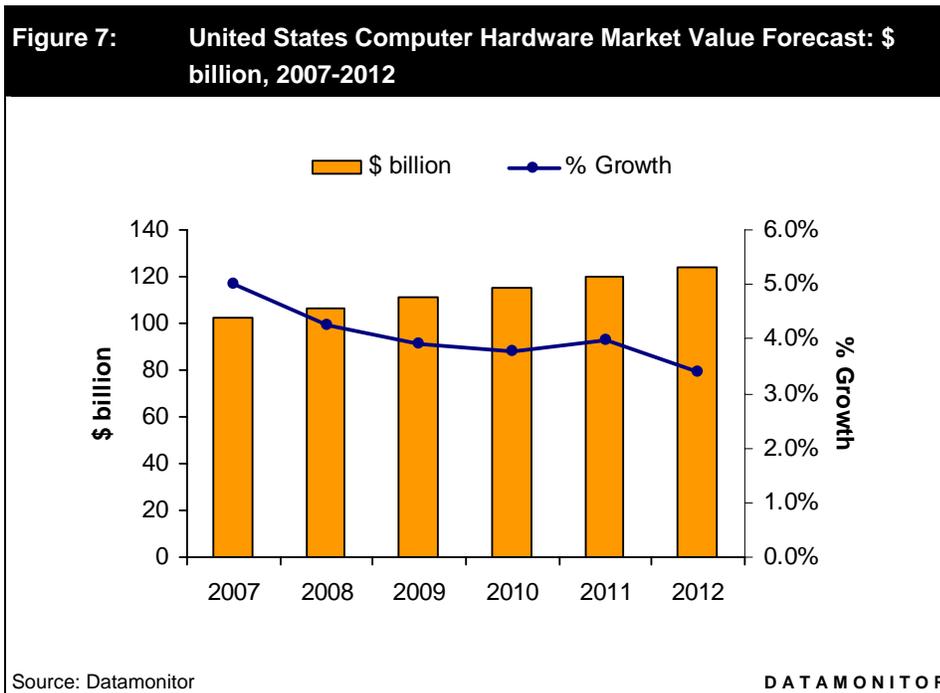
In 2012, the United States computer hardware market is forecast to have a value of \$123.8 billion, an increase of 20.9% since 2007.

The compound annual growth rate of the market in the period 2007-2012 is predicted to be 3.9%.

**Table 10: United States Computer Hardware Market Value Forecast: \$ billion, 2007-2012**

Year	\$ billion	% Growth
2007	102.4	5.00%
2008	106.8	4.20%
2009	110.9	3.90%
2010	115.1	3.80%
2011	119.7	4.00%
2012	123.8	3.40%
<b>CAGR, 2007-2012:</b>		<b>3.9%</b>

Source: Datamonitor DATAMONITOR



## CHAPTER 8 MACROECONOMIC INDICATORS

**Table 11: United States Size of Population (million) , 2003-2007**

Year	Population (million)	% Growth
2003	290.3	
2004	293.0	0.90%
2005	295.7	0.90%
2006	298.4	0.90%
2007	301.1	0.90%

Source: Datamonitor

DATAMONITOR

**Table 12: United States GDP (Constant 2000 Prices, \$ billion), 2003-2007**

Year	Constant 2000 Prices, \$ billion	% Growth
2003	10269.3	
2004	10703.2	4.20%
2005	11047.5	3.20%
2006	11394.9	3.10%
2007	11754.4	3.20%

Source: Datamonitor

DATAMONITOR

**Table 13: United States Inflation, 2003-2007**

Year	Inflation Rate (%)	% Growth
2003	2.3	
2004	2.7	16.90%
2005	3.4	27.20%
2006	1.7	-49.20%
2007	2.2	26.10%

Source: Datamonitor

DATAMONITOR

## CHAPTER 9 APPENDIX

### 9.1 Methodology

Datamonitor Industry Profiles draw on extensive primary and secondary research, all aggregated, analyzed, cross-checked and presented in a consistent and accessible style.

**Review of in-house databases** – Created using 250,000+ industry interviews and consumer surveys and supported by analysis from industry experts using highly complex modeling & forecasting tools, Datamonitor's in-house databases provide the foundation for all related industry profiles

**Preparatory research** – We also maintain extensive in-house databases of news, analyst commentary, company profiles and macroeconomic & demographic information, which enable our researchers to build an accurate market overview

**Definitions** – Market definitions are standardized to allow comparison from country to country. The parameters of each definition are carefully reviewed at the start of the research process to ensure they match the requirements of both the market and our clients

**Extensive secondary research** activities ensure we are always fully up-to-date with the latest industry events and trends

Datamonitor aggregates and analyzes a number of secondary information sources, including:

- National/Governmental statistics
- International data (official international sources)
- National and International trade associations
- Broker and analyst reports
- Company Annual Reports
- Business information libraries and databases

**Modeling & forecasting tools** – Datamonitor has developed powerful tools that allow quantitative and qualitative data to be combined with related macroeconomic and demographic drivers to create market models and forecasts, which can then be refined according to specific competitive, regulatory and demand-related factors

**Continuous quality control** ensures that our processes and profiles remain focused, accurate and up-to-date

## **9.2 Industry Associations**

### **Information Technology Industry Council**

1250 Eye Street, NW, Suite 200,  
Washington, DC 20005, USA  
Tel: 1 202 737 8888  
Fax: 1 202 638 4922  
<http://www.itic.org/>

## **9.3 Related Datamonitor Research**

### **Datamonitor Industry Profiles**

- Computer Hardware in Europe
- Computer Hardware in Asia-Pacific
- Computer Hardware in France
- Computer Hardware in Germany
- Computer Hardware in the United Kingdom
- Computer Hardware in Japan
- Global Computer Hardware
- Computer Hardware in China
- Computer Hardware in Italy
- Computer Hardware in Belgium
- Computer Hardware in the Netherlands

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