



Why PCs Become Obsolete

- Introduction of New Product
- Processor Speed
- New Standard Configurations
- Price Points (maintenance, licenses, TCO)
- Moore's Law



Introduction of New Product

Desktop PCs					
<u>Intro Date</u>	<u>Product / Processor</u>			<u>Intro Date</u>	<u>Product / Processor</u>
May '97	P II			Apr. '01	P IV 1.7 GHz
Jan. '98	P II 333 MHz			Jul. '01	P IV 1.8 GHz
Apr. '98	P II 350/400 MHz			Jan '02	P IV 2.4 GHz
Aug. '98	P II 450 MHz				
Feb. '99	P III 450/500 MHz			May '02	P IV 2.5 GHz
Aug. '99	P III 600 MHz			Aug '02	P IV 2.6 GHz
Oct. '99	P III 733 MHz			Aug '02	P IV 2.8 GHz
Dec. '99	P III 800 MHz			Nov '02	P IV 3.06 GHz
Mar. '00	P III 1.0 GHz			Jun '03	P IV 3.2 GHz
Jul. '00	P III 1.2 GHz				
Nov '00	P IV 1.5 GHz				
Laptop PCs					
<u>Intro Date</u>	<u>Product / Processor</u>			<u>Intro Date</u>	<u>Product / Processor</u>
Jun '99	P II 400 MHz Mobile			Apr. '02	P IV-M 1.8 GHz Mobile
Oct '99	P III 500 MHz Mobile			Jun '02	P IV-M 2.0 GHz Mobile
Jan '00	P III "SpeedStep" to 650 MHz			Sept '02	P IV-M 2.2 GHz Mobile
Mar '01	P III-M 1.0 GHz SpeedStep			Jan '03	P IV-M 2.4 GHz
Oct '01	P III-M 1.2 GHz Mobile			Apr '03	P IV-M 2.6 GHz
Mar '02	P IV-M 1.7 GHz			Jun '03	P IV-M 3.06 GHz
Servers					
<u>Intro Date</u>	<u>Product / Processor</u>			<u>Intro Date</u>	<u>Product / Processor</u>
Oct '99	P III Xeon up to 733 MHz			Jul '02	Itanium (64-bit) 1.0 GHz
May '00	P III Xeon 700 MHz			Sept. '02	Xeon 2.8 GHz
Mar '01	P III Xeon 900 MHz			Mar '03	Xeon 3.06GHz (533MHz system bus)
May '01	Itanium (64-bit) 800 MHz			Jun '03	Xeon 2.2 GHz
May '01	Xeon 1.7 GHz			Jun '03	Xeon XP 2.8GHz
Sep. '01	Xeon 2.0 GHz			Apr. '02	Itanium2 (64-bit) 1.5GHz
Jan. '02	Xeon 2.2 GHz				Xeon 3.06GHz (1MB L3 cache)
Apr. '02	Xeon 2.4 GHz				



Standard Configurations

	1999	2000	2001	2002	2003E	2004E
New Configuration:						
CPU speed	400 mhz	650 mhz	933 mhz	1.4 ghz	2.4 ghz	
memory	64 mb	128 mb	128 mb	256 mb	512 mb	
hard drive	6.4 gb	10 gb	10 gb	15 gb	30 gb	



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Price history: 1999-2003										
		1999	2000	2001	2002	2003E	2004E			
New Configuration:										
CPU speed		400 mhz	650 mhz	933 mhz	1.4 ghz	2.4 ghz				
memory		64 mb	128 mb	128 mb	256 mb	512 mb				
hard drive		6.4 gb	10 gb	10 gb	15 gb	30 gb				
Desktop Values										
		1999	2000	2001	2002	2003	2004			
MSRP		\$1,400	\$1,250	\$1,100	\$950	\$850	\$800			
New		\$1,000	\$900	\$750	\$650	\$600	\$550			
1 YR-old		\$400	\$350	\$300	\$250	\$200	\$150			
2 YR-old		\$200	\$175	\$150	\$125	\$100	\$75			
3 YR-old		\$125	\$125	\$100	\$75	\$50	\$25			
4 YR-old		\$75	\$75	\$50	\$25	\$0	\$0			

Price Points

- Expect a continued buyer's market for PCs.
- System prices will follow their traditional declines through 2004.
- For buyers outside the United States, the weak dollar makes PCs very attractive.
- Inside the United States, fierce competition between vendors offers great opportunity for buyers.

Moore's Law

- Gordon Moore was a co-founder of Intel.
- Predicted that performance capacity would double every 18 months.
- Prediction made over 25 years ago.

Why Replace Your PC?

- If you're an IT Manager, you might not have upgraded since pre-Y2K and now you've got a budget.
- If you're a consumer, you may have a little more disposable income and your dollars will go a long way.