

# HP chief cautious about return of pent-up demand

May 28 2009, By JORDAN ROBERTSON , AP Technology Writer

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(AP) -- While other big technology vendors have said they've seen demand bottom out and show signs of recovery, Hewlett-Packard Co. has stayed cautious, warning it's too soon to tell when its business will improve.

HP's CEO, Mark Hurd, reinforced that outlook Thursday. He told [investors](#) and financial analysts at a meeting in New York that he's confident [HP](#) can hit its profit forecast, but he wouldn't speculate on the timing of a turnaround in tech spending.

The [recession](#) has created a lot of pent-up demand, because it has disrupted the normal cycle of tech upgrades, Hurd said, and when that will get back on track is unclear.

"The buildup now of 4-year-old desktops, 4-year-old notebooks, 4-year-old [servers](#), this is creating quite a bubble," Hurd said at Sanford C. Bernstein & Co.'s "Strategic Decisions" conference. "There's going to be a time when there's going to be some real opportunity here."

Hurd said there is "a little more stability" in the market, particularly in China and U.S. consumer sales. That echoed his comments from HP's quarterly results last week, when the Palo Alto-based company reported a 17 percent drop in profit to \$1.72 billion, a 3 percent decline in sales to \$27.4 billion, and more layoffs.

Hurd has been more reserved than the CEOs of Intel Corp., the world's

biggest semiconductor company, and Cisco Systems Inc., the No. 1 computer networking supplier. Both of those companies have said their orders appear to have bottomed out.

HP is the top personal-computer maker, and in the last quarter dethroned Dell Inc. in the U.S. Dell was scheduled to report its quarterly numbers after the market closed Thursday.

HP shares were down 2 cents at \$34.32 in morning trading Thursday.

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Citation: HP chief cautious about return of pent-up demand (2009, May 28) retrieved 20 April 2024 from <https://phys.org/news/2009-05-hp-chief-cautious-pent-up-demand.html>

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