



PRESS RELEASE

It all began 10 years ago

Anniversary for Panasonic Toughbooks

10 years ago, Panasonic took a crucial step into developing the market for robust notebooks by introducing the Toughbook CF-25. Today the notebook manufacturer is worldwide market leader in this continually growing market segment, and has been for years.

Frankfurt am Main, August 29th 2006: In 2006, Panasonic Computer Products will celebrate a very significant birthday: the successful ruggedized notebooks of Panasonic's "Toughbook" series turn 10 this year. Panasonic made the decision in 1994 to concentrate on the robust mobile computer market segment. Manager Yoshi Yamada, who led this strategic reorientation and is now a member of Panasonic's U.S. board of executives, explains the reasoning behind this change of direction: "At the time, a budding price war forced notebook makers increasingly to use cheap, bulk standard components in their products. Panasonic chose a different path. Unlike other companies, we wanted to maintain control over the production and distribution process and did not want to relinquish the know-how advantages resulting from having our own in-house research and development." He adds, "This kind of strategy hardly allows you to be profitable in a mass market – we had to re-focus."

Listening to the customer led to the development of ruggedized notebooks

As early as 1987, Panasonic had developed a portable computer in cooperation with German computer maker Nixdorf. Users could insert the FT-2 into a docking station and connect it to an attachable printer. The Nixdorf notebook, although not strictly speaking "ruggedized", was nevertheless one of the most robust mobile computers of its time. Panasonic gained valuable experience from this OEM development – in using carbon fibre for notebook cases, for instance.

Yuji Mizoguchi, now General Manager for Panasonic Computer Products' worldwide service activities, worked as an engineer on the Nixdorf OEM development. "Nixdorf had an excellent reputation within the German computer market," he says. "The company was famous for its great ideas and proved able to take quick decisions. Nixdorf always wanted to deliver additional value concerning features and functionalities to its customers, so from us as OEM suppliers Nixdorf always required extremely challenging specifications – a good thing for Panasonic, as this experience helped us gather the know-how that gave us significant advantages when later developing our own ruggedized product line."

The first "true" Toughbook was the model CF-25, introduced in 1996. Panasonic engineers constructed it to survive falls from heights of up to 70 centimetres and to resist dust and humidity.

In addition, this pioneering model featured other elements that would later establish themselves as standard across the Toughbook range: for instance, the aluminium alloy case came equipped with a solid handle that allowed CF-25 owners to carry their notebooks conveniently.

Buyers of the CF-25 included mechanics and service personnel of leading energy company British Gas, which has continued to utilise Toughbooks to the present day. The CF-25 has attracted many more customers who use it under a range of extreme conditions, including U.S. police officers who plug the CF-25 into a special docking cradle in their patrol vehicles.

Today, Panasonic still follows a valuable policy developed in those early days: while other notebook manufacturers spoke mostly to their distributors, Panasonic communicated mainly with its customers. “When a corporate customer needed a particular hardware modification or special development, Panasonic’s flexible logistics gave us an enormous advantage in serving those relatively small market segments,” says Mr Yamada. “Panasonic, on the other hand, always asked our customers what changes and improvements to our products might be worthwhile.”

Customers gave surprisingly uniform replies to these questions: robustness; stability; reliability; and mobile communications ranked top of their wish list. The development of robust Toughbooks had begun.

Panasonic made great strides during those first 10 years; today its robust notebooks are the unchallenged market leaders. Panasonic’s customers, which deploy Toughbooks in an array of industries and across the globe, include such pre-eminent corporations as British Gas, E.ON Ruhrgas, the German car club ADAC, Ford, Nissan, Renault, Deutsche Telekom, Condor Cargo, L’Oreal, Dr. Oetker or Bofrost.

These customers all rely on the Toughbook’s special strengths – they employ Panasonic’s sturdy notebooks in demanding environments and extreme surroundings. Reliability and robustness are therefore an undisputed must.

Clear market leader in the segment of robust computers

For these and other reasons, Panasonic is today the undisputed market leader in this segment. A recent survey by market research firm Venture Development Corporation (VDC) revealed that Panasonic has a market share of 57.9 per cent in the EMEA region (Europe, Middle East and Africa), compared to 17.5 per cent and 12.5 per cent respectively for Panasonic’s nearest competitors, Itronix and Siemens.

“Selling a million Toughbook units, we are worldwide number one in the rugged PC industry,” says Yoshi Yuasa, general manager of the IT Products Division at Panasonic AVC Networks Company.

Yet another success factor: a fine-tuned service concept

Another decisive factor in the success of the Toughbook series is the extensive, fine-tuned service package Panasonic offers to its customers. This relationship begins with detailed pre-sales counselling. During this phase, Panasonic system engineers analyse each customer's specific demands and then recommends exactly those notebook models that offer the best fit and the most efficient solution for that customer. Should a customer have any special requirements, Panasonic stands ready to make to its products any customisations necessary to meet that customer's particular needs.

Another crucial advantage that accompanies the Toughbook series is continuous after-sales support, tailored to offer the appropriate amount of service to the customer whenever and wherever he might need it. Individually negotiated service contracts guarantee that each customer receives exactly the desired level of service and support, which can include updates and replacements so that companies employing Toughbooks can maximize their productivity and performance.

In addition, because Panasonic Computer Products is a notebook manufacturer that can independently develop, create, manage and support IT projects, no involvement of third parties is necessary to the provision of such a high level of service. Should a customer prefer it, Panasonic can provide service contracts that involve no outsourcing whatsoever, so that nothing unexpected can impair product or service quality.

Obvious cost advantages for buyers of Panasonic Toughbooks

As part of its high level of customer service, Panasonic also pays close attention to the total cost of ownership, or TCO: the costs to the purchaser that accumulate over the lifetime of a device.

If a customer considers only the purchase price of a notebook, he may be hit by hidden repair and replacement costs later in the life of his laptop. Panasonic's Toughbooks – sturdy, robust notebooks with a 36-month guarantee – avoid such additional costs and mean that satisfied customers can plan effectively and adhere to budgets.

Especially when used regularly on the road, standard notebook computers without ruggedized fittings suffer from considerably more damage than do Toughbooks, and break down significantly more often. When used in demanding environments, Standard notebooks have loss rates of up to 30 per cent higher than do Toughbooks, and – over a period of three or four years – up to 20 per cent higher loss rates even in ordinary working environments.

Analysis by Venture Development Corporation (VDC) has shown the TCO of ruggedized computers to be 23 per cent lower per year than that of standard notebooks. This cost advantage almost doubles when using notebooks in demanding environments. VDC's research reflects Panasonic Toughbooks' many verifiable advantages: their solid construction means customers need spend far less on repair and maintenance costs as well as replacing far fewer units.

Such advantages have not arisen by chance. Panasonic engineers work continuously to improve and develop the various Toughbook series, paying close attention to TCO figures. They achieve sustainable cost reductions by analysing closely those components that give rise to repair and maintenance costs and then introducing improvements accordingly. Features typical of today's Toughbooks – such as using special dampening material to protect the hard disk, or reinforcing the display frame – show this development strategy in action.

Enhanced commitment at ultra portable Toughbook models

Panasonic has worked hard to secure its leading position in the robust notebook market segment, and there is more work ahead. All those who contribute to the success of the Toughbook series – from engineers to marketing specialists to customer-service representatives – will intensify their efforts. Customer surveys show a continually growing demand for lightweight, reliable, rugged notebooks – even for everyday management applications. Panasonic therefore plans to enhance its worldwide offering of the ultra-portable “Toughbook Light” models that have sold very successfully in the Japanese market.

Sporting a 19.5 per cent market share and having sold 250,000 units within the ultra-portable notebook segment, Panasonic dominates the Japanese market. The company plans to repeat this success in its home market across the globe and, to achieve this aim, will launch a range of new ultra-portable products in autumn 2006. Panasonic will especially focus on three of this notebook series' attributes: lightness of weight; battery life; and robustness specific to how customers employ these notebooks – including tolerating a 100-kilogram load.

“With our light, reliable, robust Toughbooks, we want to provide mobility, pervasive accessibility and mobile communications to managers and executives,” says Keith Evans, Managing Director of Panasonic Computer Products Europe. “With the integration of technologies such as UMTS and HSDPA we offer an enhanced ‘Total value of ownership’ (TVO) to our customers – and our customers' resulting increased efficiency and productivity will reflect this.”

Panasonic sees ten years of Toughbook success not as a reason to sit back and relax, therefore, but as a strong incentive for this market leader to continue to develop reliable products for and provide innovative solutions to its customers.



For further information, go to <http://www.toughbook-europe.com>

Printable photos are available at: http://www.toughbook-europe.com/ENG/image_archive.aspx

User: OutdoorNotebook

Password: TOUGHBOOK

Panasonic's principles are firmly rooted in the philosophy of the company's founder Konosuke Matsushita. He laid the foundation for the global corporation back in 1918, setting up the company Matsushita Electric (later Matsushita Electric Industrial Co., Ltd.) in Osaka/Japan. Today, the corporation is the leading Japanese manufacturer of high-tech electronic products in the entertainment, household and microelectronics sectors, communication technology and the industrial sector, mainly sold under the brand name Panasonic. The Matsushita Group generated 76.02 billion dollars sales in the 2005/2006 fiscal year, and employs some 335 000 people around the world. The group is present in 44 countries, with 628 subsidiaries in the production, sales, finance and research sectors.

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