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Gartner is able to provide you with the most up-to-date and insightful market figures to help place the news from IFA 2012 into context. This document contains data on the key areas of the consumer technology industry.

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PC

2Q12 PC Vendor Shipments and Market Shares, Worldwide and EMEA

Worldwide PC shipments totalled 87.5 million units in the second quarter of 2012, a decline of 0.1 per cent from the second quarter of 2011, according to preliminary results by Gartner, Inc.

“In the second quarter of 2012, the PC market suffered through its seventh consecutive quarter of flat to single-digit growth,” said Mikako Kitagawa, principal analyst at Gartner. “Uncertainties in the economy in various regions, as well as consumer’s low interest in PC purchases, were some of the key influencers of slow PC shipment growth. Despite the high expectations for the thin and light notebook segment, Ultrabooks, shipment volume was small and little impact on overall shipment growth.”

Preliminary Worldwide PC Vendor Unit Shipment Estimates for 2Q12 (Units)

Company	2Q12 Shipments	2Q12 Market Share (%)	2Q11 Shipments	2Q11 Market Share (%)	2Q12-2Q11 Growth (%)
HP	13,036,548	14.9	14,838,734	16.9	-12.1
Lenovo	12,820,301	14.7	11,160,303	12.7	14.9
Acer Group	9,646,383	11.0	9,315,341	10.6	3.6
Dell	9,349,212	10.7	10,570,007	12.1	-11.5
ASUS	6,120,957	7.0	4,416,125	5.0	38.6
Others	36,495,872	41.7	37,256,607	42.6	-2.0
Total	**87,469,273**	**100.0**	**87,557,116**	**100.0**	**-0.1**

Note: Data includes desk-based PCs and mobile PCs, including mini-notebooks but not media tablets such as the iPad.
Source: Gartner (July 2012)

From a regional perspective, EMEA, Asia/Pacific and Japan registered low single digit-growth while all Americas markets posted year-on-year shipment declines.

PC shipments in EMEA totalled 25.1 million units in the second quarter of 2012, a 1.9 per cent increase from the same period last year. Western Europe saw very weak demand across all countries but especially Southern Europe. Consumer willingness to spend on PCs was furthered hindered by the growing eurozone economic crisis. Retailers again took a risk adverse approach but distributors may well have greater levels of inventory. This will hinder future growth of markets as Windows 8 and more Ultramobile notebooks arrive in the second half of 2012.

The Asia/Pacific PC market grew 2 per cent, as shipments reached 31.8 million units. The weak US and European economic situation, coupled with the slowing economy in China, affected the region's market sentiments where people reacted by scaling back on spending due to the uncertainties. There was the tightening of budgets in the professional segment, as well as a lack in new government initiatives to stimulate IT purchasing activities. Consumers either spent on alternative devices or remained cautious on discretionary spending.

In Latin America, PC shipments in the second quarter of 2012 totalled 9.3 million units, a decline of 1.7 per cent from the second quarter of last year. PC shipments in Japan grew 2 per cent in the second quarter of 2012, as shipments surpassed 3.9 million units.

Mobile

Consumer Tech Spending Forecast, Worldwide

Consumers will spend $2.1 trillion worldwide on digital information and entertainment products and services in 2012, according to Gartner, Inc. This amounts to a $114 billion global increase compared with 2011, and spending will continue to grow at a faster rate than in the past, at around $130 billion a year, to reach $2.7 trillion by the end of 2016.

The $2.1 trillion consists of what the consumers will spend on mobile phones, computing and entertainment, media and other smart devices, the services that are required to make these devices connected to the appropriate network, and software and media content that are consumed via these devices.

"The three largest segments of the consumer technology market are, and will continue to be, mobile services, mobile phones and entertainment services," said Amanda Sabia, principal research analyst at Gartner. "There are two product classes, which in terms of absolute dollars are significantly smaller, but offer tremendous growth by 2016. These are mobile apps stores and e-text content. We fully expect consumers to more than triple their spending in these latter two categories by 2016."

Mobile services are expected to generate 37 per cent of total worldwide consumer technology spending in 2012 — that is $0.8 trillion — rising to almost $1 trillion by 2016. Mobile phones will account for 10 per cent of total spending in 2012 — that is $222 billion — rising to almost $300 billion by 2016. Similarly, entertainment services — cable, satellite, IPTV and online gaming, will account for 10 percent of total consumer spending on technology products and services in 2012, at $210 billion, rising to almost $290 billion in 2016.

Gartner predicts that consumer spending on mobile apps stores and content will rise from $18 billion in 2012 to $61 billion by 2016, and that spending on e-text content (e-books, online news, magazines and information services) will rise from $5 billion in 2012 to $16 billion by 2016.

2Q12 Mobile Devices, Worldwide

Worldwide sales of mobile phones to end users reached 419 million units in the second quarter of 2012, a 2.3 per cent decline from the second quarter of 2011, according to Gartner, Inc. Smartphone sales accounted for 36.7 per cent of total mobile phone sales and grew 42.7 per cent in the second quarter of 2012.

"Demand slowed further in the second quarter of 2012," said Anshul Gupta, principal research analyst at Gartner. "The challenging economic environment and users postponing upgrades to take advantage of high-profile device launches and promotions available later in the year slowed demand across markets. Demand of feature phones continued to decline, significantly weakening the overall mobile phone market.

"High-profile smartphone launches from key manufacturers such as the anticipated Apple iPhone 5, along with Chinese manufacturers pushing 3G and preparing for major device launches in the second half of 2012, will drive the smartphone market upward. However, feature phones will continue to see pressure," Mr Gupta said.

Table 1
Worldwide Mobile Device Sales to End Users by Vendor in 2Q12 (Thousands of Units)

Company	2Q12 Units	2Q12 Market Share (%)	2Q11 Units	2Q11 Market Share (%)
Samsung	90,432.1	21.6	69,827.6	16.3
Nokia	83,420.1	19.9	97,869.3	22.8
Apple	28,935.0	6.9	19,628.8	4.6
ZTE	17,936.4	4.3	13,070.2	3.0
LG Electronics	14,345.4	3.4	24,420.8	5.7
Huawei Device	10,894.2	2.6	9,026.1	2.1
TCL Communications	9,355.7	2.2	7,938.9	1.9
HTC	9,301.2	2.2	11,016.1	2.6
Motorola	9,163.2	2.2	10,221.4	2.4
Research In Motion	7,991.2	1.9	12,652.3	3.0
Others	137,233.4	32.8	152,989.70	35.7
Total	**419,007.90**	**100.0**	**428,661.15**	**100.0**

Source: Gartner (August 2012)

In the smartphone OS market, Android extended its lead with an increase of 20.7 percentage points in market share in the second quarter of 2012 (see Table 2). While Apple's iOS market share slightly grew year over year (0.6 per cent), it declined 3.7 percentage points quarter-on-quarter, as users postponed their upgrade decisions in most markets ahead of the upcoming launch of the iPhone 5.

Gartner analysts said the arrival of the iPhone 5 should provide the greatest upgrade opportunity yet as the expected new design with a larger screen and likely other stylistic changes to the form factor will certainly make a strong case for iPhone 4 users to upgrade.

Table 2
Worldwide Mobile Device Sales to End Users by Operating System in 2Q12 (Thousands of Units)

Operating System	2Q12 Units	2Q12 Market Share (%)	2Q11 Units	2Q11 Market Share (%)
Android	98,529.3	64.1	46,775.9	43.4
iOS	28,935.0	18.8	19,628.8	18.2
Symbian	9,071.5	5.9	23,853.2	22.1
Research In Motion	7,991.2	5.2	12,652.3	11.7
Bada	4,208.8	2.7	2,055.8	1.9
Microsoft	4,087.0	2.7	1,723.8	1.6
Others	863.3	0.6	1,050.6	1.0
Total	**153,686.1**	**100.0**	**107,740.4**	**100.0**

Source: Gartner (August 2012)

<u>Mobile Service Revenue Forecast, 2009-2013, Worldwide</u>

Total Mobile Service Revenue, Worldwide, by Region, 2009-2013 (Millions of Dollars)

Region	2009	2010	2011	2012	2013
Latin America	73,047	92,957	107,279	121,790	133,297
North America	179,825	190,429	209,405	222,753	234,724

Asia/Pacific	174,658	197,051	225,874	246,144	263,178
Eastern Europe	56,031	55,176	58,147	60,123	61,680
Middle East & Africa	95,508	110,498	119,056	128,383	133,794
Western Europe	197,755	189,339	189,648	176,842	176,095
Japan	71,207	75,402	84,085	82,693	83,577
Worldwide 2Q12 Update	**848,032**	**910,852**	**993,495**	**1,038,727**	**1,086,346**

Source: Gartner (June 2012)

Mobile Payments Forecast, 2009-2016, Worldwide

Worldwide mobile payment transaction values will surpass $171.5 billion in 2012, a 61.9 per cent increase from 2011 values of $105.9 billion, according to Gartner, Inc. The number of mobile payment users will reach 212.2 million in 2012, up from 160.5 million in 2011.

"We expect global mobile transaction volume and value to average 42 per cent annual growth between 2011 and 2016, and we are forecasting a market worth $617 billion with 448 million users by 2016," said Sandy Shen, research director at Gartner. "This will bring opportunities for service and solution providers who will need to cater to the local demand patterns to customise their offerings."

Mobile Payment Users by Region, 2009-2016 (Thousands of Users)

	2009	2010	2011	2012	2013	2014	2015	2016
Western Europe	4,519	9,418	15,974	22,784	29,734	36,886	44,144	51,514
North America	1,905	8,260	19,111	32,788	46,518	60,853	75,514	90,653
Asia/Pacific	41,865	55,265	69,622	85,031	102,064	120,822	141,364	163,642
Eastern Europe	954	1,002	2,226	3,882	5,694	7,729	9,935	12,447
Middle East	186	524	935	1,527	2,326	3,440	4,710	6,019
Africa	16,559	32,396	45,539	57,751	69,694	80,530	91,034	101,336
Latin America	4,012	5,578	7,058	8,456	10,479	13,373	17,268	22,314
Total	**70,000**	**112,444**	**160,464**	**212,219**	**266,510**	**323,632**	**383,969**	**447,926**

Source: Gartner (May 2012)

Social

Social Media Revenue Forecast, 2010-2013, Worldwide

Global social media revenue is forecast to reach $16.9 billion in 2012, up 43.1 per cent from 2011 revenue of $11.8 billion, according to Gartner, Inc.

Mobile Social Media Market Revenue, Worldwide, 2010-2013 (Million of Dollars)

Market	2010	2011	2012	2013
Mobile Social Media Revenue	1,289	2,435	3,611	5,224
Growth		89%	48%	45%
Social Media Revenue	7,256	10,257	14,939	20,008
Growth		41%	46%	34%

Source: Gartner (December 2011)

Consumer Electronic Equipment

Blue Laser DVD Players

Gartner has decreased the unit production forecast of blue laser DVD players in response to weak consumer demand, especially in the US and Europe, due to increasing competition from alternative video distribution services.

Blue Laser DVD Players Forecast, Worldwide, 2012-2016

	2012	2013	2014	2015	2016
Unit Production (K)	27,590	33,700	37,800	41,200	43,500
Vendor Revenue ($M)	2,097	2,359	2,457	2,472	2,480
Semiconductor Consumption ($M)	1,218	1,423	1,601	1,675	1,766

Source: Gartner (March 2012)

LCD TVs

Poor consumer confidence levels in the major Western markets continue to suppress demand for all types of TVs as well as other consumer electronics. In this first quarter of 2012 update, we have not altered our 2012 estimates of 206 million units, which represents a 5 per cent growth from 2011. As Gartner predicted, 2010 was the last year of double-digit growth for LCD TV unit production, as global markets start to reach saturation and enter the classic replacement cycle. The LCD market is now in line with growth patterns prior to the transition to flat-panel displays. The volume of LCD TV production is predicted to be sustained by the emerging markets of the BRIC countries, while in the developed markets, the introduction of Internet-connected smart TVs will offer manufacturers some form of differentiation — but few growth prospects — in this low-margin, highly competitive market.

LCD TV Forecast, Worldwide, 2012-2016

	2012	2013	2014	2015	2016
Unit Production (K)	206,576	209,864	215,242	220,167	229,039
Vendor Revenue ($M)	28,395	29,246	30,085	31,484	33,348
Semiconductor Consumption ($M)	11,036	11,126	10,867	10,682	10,965

Source: Gartner (March 2012)

Digital Still Cameras (DSCs)

Gartner decreased the unit production of DSCs in 2011 and 2012 due to negative global macroeconomic conditions, as well as the floods in Thailand. Low-end DSCs will continue to face competition from mobile phones and media tablets. Intensifying competition, accompanied by rapid price declines, will affect DSC semiconductor vendors, especially image sensor and image processor vendors.

Despite the negative conditions faced by the low-end DSC market, we have increased the growth rate forecast beginning in 2013, as we anticipate increasing demand of midrange and high-end products in developed and emerging countries.

DSC Forecast, Worldwide, 2012-2016

	2012	2013	2014	2015	2016
Unit Production (K)	133,200	140,800	147,100	150,400	152,200
Vendor Revenue ($M)	15,118	15,615	16,034	16,198	16,209
Semiconductor Consumption ($M)	4,761	4,796	4,931	5,058	5,075

Source: Gartner (March 2012)