

FOR IMMEDIATE RELEASE

CONTACTS:

Laurence Goasduff
Gartner
+ 44 (0) 1784 267 738
laurence.goasduff@gartner.com

Christy Pettey
Gartner
+ 1 408 468 8312
christy.pettey@gartner.com

Gartner Says Worldwide Mobile Device Sales to End Users Reached 1.6 Billion Units in 2010; Smartphone Sales Grew 72 Per Cent in 2010

***Apple and RIM Displaced Sony Ericsson and Motorola in Mobile Device Manufacturers Ranking
Android Reached Record Sales in Fourth Quarter of 2010 and Moved to No. 2 Position in 2010***

Egham, UK, 9 February 2011 — Worldwide mobile device sales to end users totalled 1.6 billion units in 2010, a 31.8 per cent increase from 2009 (see Table 1), according to Gartner, Inc. Smartphone sales to end users were up 72.1 per cent from 2009 and accounted for 19 per cent of total mobile communications device sales in 2010.

"Strong smartphone sales in the fourth quarter of 2010 pushed Apple and Research In Motion (RIM) up in our 2010 worldwide ranking of mobile device manufacturers to the No. 5 and No. 4 positions, respectively, displacing Sony Ericsson and Motorola," said Carolina Milanese, research vice president at Gartner. "Nokia and LG saw their market share erode in 2010 as they came under increasing pressure to refine their smartphone strategies."

Overall, the mobile device market showed less seasonality than in previous years in mature markets such as Western Europe and North America. Worldwide mobile phone sales to end users reached 32.7 per cent growth in the fourth quarter of 2010 as mobile phone sales to end users totalled 452 million units.

Shortages continued to affect popular components, such as camera modules, touchscreen controllers, and active-matrix organic light-emitting diode (AMOLED) screens, in the fourth quarter of 2010. "This situation will not ease until at least the second half of 2011. Shortages will be a long-term consideration for mobile device vendors, because other fast-growing categories of connected consumer devices, such as media tablets, are competing for the same components," said Ms Milanese.

White-box sales exceeded 115 million units in the fourth quarter of 2010 and 360 million units in 2010 overall. Although white box sales helped boost mobile device sales to 1.6 billion units in 2010, it would be misleading to interpret this as market "growth" in the strictest sense. "What we see is an increase in addressable market for mobile device manufacturers as consumers shift their behaviour to buying new phones from legitimate channels over second-hand and black market devices," said Ms Milanese.

Table 1

Worldwide Mobile Device Sales to End Users in 2010 (Thousands of Units)

Company	2010 Units	2010 Market Share (%)	2009 Units	2009 Market Share (%)
Nokia	461,318.2	28.9	440,881.6	36.4
Samsung	281,065.8	17.6	235,772.0	19.5
LG Electronics	114,154.6	7.1	121,972.1	10.1
Research In Motion	47,451.6	3.0	34,346.6	2.8
Apple	46,598.3	2.9	24,889.7	2.1

-more-

Sony Ericsson	41,819.2	2.6	54,956.6	4.5
Motorola	38,553.7	2.4	58,475.2	4.8
ZTE	28,768.7	1.8	16,026.1	1.3
HTC	24,688.4	1.5	10,811.9	0.9
Huawei	23,814.7	1.5	13,490.6	1.1
Others	488,569.3	30.6	199,617.2	16.5
Total	1,596,802.4	100.0	1,211,239.6	100.0

Source: Gartner (February 2011)

In 2010, Nokia's annual mobile phone sales to end users reached 461.3 million units, a 7.5 per cent drop in market share from 2009. The year-on-year decline is not solely attributable to Nokia's continuing deficiency in high-end devices but is, in part, the result of the growth of legitimate white-box sales. Nokia's share of the smartphone market dropped 6.7 percentage points from 2009. Nokia's future rests on the announcements it will make on 11 February and how well the company can execute on those plans in the limited time available.

RIM's overall mobile phone sales to end users in 2010 reached a total of 47.5 million units, an increase of 38.2 per cent year-on-year (see Table 2). Performance in the fourth quarter of 2010 was particularly strong in Southeast Asia (Indonesia) and Europe (the UK and the Netherlands). These sales rested on aggressively priced prepaid offerings, as well as steady uptake of the BlackBerry Messenger service. Despite growing volume sales, RIM was unable to keep up with market growth and saw its market share decline from 19.5 per cent in the fourth quarter of 2009 to 13.7 per cent in the fourth quarter of 2010. At the end of 2010, RIM announced it will release its media tablet, the PlayBook. It remains to be seen if this move will help RIM strengthen its ecosystem.

Apple sold 46.6 million units in 2010, 87.2 per cent growth from 2009. This growth is largely due to expansion into new countries and the ending of exclusivity deals, which has made the iPhone available through 185 communication service providers (CSPs) around the world. The end of exclusivity deals also encouraged CSP competition on tariffs and data plans, making the total cost of iPhone ownership more in line with other high-end smartphones. For 2011, Apple's main growth opportunity will come from adding Verizon Wireless to its list of CSPs in the US. Gartner analysts said Apple will maintain a stable average selling price, which favourably impacts margins at the expense of market share opportunity. However, Apple is not targeting the mass market, which is a fundamental difference in approach from Android.

The smartphone market remains concentrated in advanced markets, where buyers have more disposable income and where networks are fast enough to support smartphones' full feature sets. "Western Europe and North America accounted for 52.3 per cent of global smartphone sales in the fourth quarter of 2010, with smartphones accounting for close to half of all handsets sold in these regions," said Roberta Cozza, principal research analyst at Gartner. Intense competition affected shares at the top of the smartphone market in the fourth quarter of 2010, continuing trends that we have seen throughout 2010.

Table 2
Worldwide Smartphone Sales to End Users by Operating System in 2010 (Thousands of Units)

Company	2010 Units	2010 Market Share (%)	2009 Units	2009 Market Share (%)
Symbian	111,576.7	37.6	80,878.3	46.9
Android	67,224.5	22.7	6,798.4	3.9
Research In Motion	47,451.6	16.0	34,346.6	19.9
iOS	46,598.3	15.7	24,889.7	14.4
Microsoft	12,378.2	4.2	15,031.0	8.7
Other Oss	11417.4	3.8	10432.1	6.1
Total	296,646.6	100.0	172,376.1	100.0

Source: Gartner (February 2011)

In the smartphone operating system (OS) market, "Android grew 888.8 per cent in 2010 and moved to the No. 2 position. Android sales in the fourth quarter of 2010 continued to be driven by broad availability of many high-end products from HTC (Desire range, Incredible and EVO), Samsung (Galaxy S) and Motorola (Droid X, Droid 2).

Symbian's market share dropped further in the fourth quarter of 2010 to 32.6 per cent or 32.6 million units. This allowed Android to overtake Nokia's Symbian unit sales during the fourth quarter of 2010. However, the Symbian OS is also used by Fujitsu and Sharp as well as in legacy products from Sony Ericsson and Samsung. "This aggregated volume kept Symbian slightly ahead of Android," said Ms Cozza.

The wider availability of the iPhone 4 helped Apple to maintain its share of the smartphone market to 16.0 per cent in the fourth quarter 2010 and led the iPhone OS platform to reach the No. 4 position in 2010. "As a platform, iOS is in excellent shape," said Ms Milanese. With every iPad and iPod Touch sold, Apple increases the profile of iOS with potential iPhone buyers and strengthens its developer ecosystem.

"With the Mobile World Congress 2011 taking place next week, we can expect smartphones and tablets to be at centre stage of the show, and a number of new application announcements such as 3D technology, improved user interfaces around touch, faster networks on LTE technology, and new forms of payments, such as near field communication available on smartphones," Ms Milanese said.

Additional information is in the Gartner report "Competitive Landscape: Mobile Devices, Worldwide, 4Q10 and 2010." The report is available on Gartner's website at <http://www.gartner.com/resId=1542114>.

About Gartner

Gartner, Inc. (NYSE: IT) is the world's leading information technology research and advisory company. Gartner delivers the technology-related insight necessary for its clients to make the right decisions, every day. From CIOs and senior IT leaders in corporations and government agencies, to business leaders in high-tech and telecom enterprises and professional services firms, to technology investors, Gartner is the valuable partner to 60,000 clients in 11,000 distinct organizations. Through the resources of Gartner Research, Gartner Executive Programs, Gartner Consulting and Gartner Events, Gartner works with every client to research, analyze and interpret the business of IT within the context of their individual role. Founded in 1979, Gartner is headquartered in Stamford, Connecticut, U.S.A., and has 4,400 associates, including 1,200 research analysts and consultants, and clients in 85 countries. For more information, visit www.gartner.com.

###