

# Smartphones

COMPANIES: AAPL, ACER, DELL, ERIC, ERICB SS, GOOG, HPQ, MOT, MSFT, NOK, NOK1V FH, PALM, RIM CN, RIMM, SNE, 2498 TT, 005930 KS, 066570 KS, 6758 JP



## RIMM Share Rebounds, AAPL Still Gaining

Good Torch and Curve 8520 sales, prepaid launches and the resolution of security issues in India helped RIM gain share qq during September–November, and Apple's iPhone continued to gain slight share because of better product availability.

- OTR Global's read on RIMM is mixed, as in the September report
- Smartphone sales yy improved overall vs. September because of more lower-priced and attractive devices, lower data prices and continued customer migration
- RIMM rebounded and gained slight share qq with Torch sales in North America, Curve 8520, 9300, Torch sales and prepaid launches in Europe; other share gainers include AAPL with more availability and Samsung and HTC with GOOG Android devices
- NOK again lost share despite N8 and C7 launches; MOT continued to gain slight share in North America with Android but deteriorated and lost slight share globally because of limited offerings
- Area to Watch: Revenue share dispute between certain carriers and RIMM could lead to share losses during December–February qq, as mentioned in OTR Global's Dec. 6 note

### EXECUTIVE SUMMARY

**Research In Motion Ltd.** (RIM) gained slight overall share during September–November qq with good sales of Curve 8520, Torch and pre-paid offers. **Apple Inc.** gained slightly with improved availability of the iPhone, and **HTC Corp.** and **Samsung Electronics Co. Inc.** gained slightly overall with key **Google Inc.** Android devices, despite inventory issues caused by component shortages. **Nokia Corp.** lost slightly overall to more competitive devices from other vendors despite the N8 and C7 launches but eked out gains in North and Latin America and Russia while **Motorola Corp.** gained slight share in North America with Android and price appeal and in India, but lost globally because of its limited offerings.

### KEY DATA

#### RIM's Share during September–November qq

(number of sources)

	NORTH AMERICA	LATIN AMERICA	EUROPE	CHINA	INDIA	RUSSIA	TOTAL
Gained significantly	1	1	-	-	3	-	5
Gained slightly	1	2	7	2	2	-	14
On par	2	2	4	-	1	1	10
Lost slightly	5	3	2	4	-	2	16
Lost significantly	-	-	1	-	-	1	2

### SOURCES & BACKGROUND

**58 buyers, executives and managers with carriers, distributors, resellers and wholesalers** representing sales of nearly 115 million smartphone units in 2009

**NORTH AMERICA** 9 buyers, product managers and management directors at wireless carriers and electronics retailers (7 in the United States and 2 in Canada) representing nearly 41.2 million smartphone units; **WESTERN EUROPE** 14 buyers, product managers and management directors at wireless carriers and distributors (3 each in France, Spain and the United Kingdom, 1 in Germany and 4 pan-European carriers) representing more than 50 million smartphone units; **ASIA** 22 handset distributors, carrier executives and retailers, comprising 9 in India representing 14 million smartphone units, and 13 in China representing 5.99 million smartphone units; **LATIN AMERICA** 8 carrier, distributor, and reseller executives (5 in Brazil, 1 in Mexico, 1 in Central America and the Caribbean and 1 pan-Latin American source) representing 2.25 million smartphone units; **RUSSIA** 5 retail, wholesale and carrier executives representing almost 1.5 million smartphone units

**REPEAT SOURCES** 43 (7 in North America, 10 in Western Europe, 18 in Asia, 3 in Latin America and 5 in Russia) from OTR Global's September report

**INTERVIEWS** First three weeks of November

**AVERAGES** Weighted according to sources' 2009 smartphone unit sales

“[RIM] gained significantly and made up for all the losses in the previous quarter with their excellent marketing campaigns and trust-building exercises. Also, the prices were reduced further for the festive season.”

*Indian carrier*

See last page for Important Disclosures and Analyst Certification

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## Smartphone Sales Keep Growing

Global smartphone unit sales continued to grow during September–November, averaging up 31%–36% yy, improving from OTR Global's September report findings of up 26%–31% during June–August. Sales were driven by a wider range of lower-priced and more attractive devices and the continued migration of customers from feature phones. "Sales have grown as the price points of products and plans have come down and democratized smartphones," a European source said.

Growth was highest in Latin America, climbing 101%–106% yy on average, driven by improved marketing campaigns from vendors and successful entry-level devices in Brazil, and more pre-paid sales — particularly of BlackBerry devices — in Mexico. Sales in Western Europe grew 46%–51% yy, slightly slowing from OTR Global's previous findings, because of shortages, but driven by an ongoing market shift to smartphones, more attractive device and plan prices and a wider range. Russian sales increased 38%–43% yy, improving and benefiting from wider smartphone portfolios and interest in new operating systems such as Android. "The new generation of smartphones is more user-friendly and sexy," a source said.

In North America, sales during September–November increased 15%–20% yy, similar to OTR Global's previous findings. Growing customer interest in smartphones and key devices such as Apple's iPhone, RIM's Torch and those with Google's Android operating system drove growth, as did less expensive data plans and lower device prices. "The most important growth drivers for smartphones were price drops — the \$100 smartphone has had a tremendous impact on sales," a source said. Sales increased 20%–25% yy during September–November in India, improving from OTR Global's previous findings because of lower device prices, increased consumer adoption of smartphones and better economic conditions. In China, sales grew 12%–17% yy, improving slightly from OTR Global's previous findings, driven by flagship launches from Apple and HTC, lower prices, more attractive carrier packages and higher subsidies.

## RIM Up YY, but not in North America

Global RIM device sales were up 33%–38% yy during September–November, slightly outpacing the category and meeting or exceeding most source expectations, with the yy trend slowing just minimally from June–August. Strong double-digit growth in Europe, Latin America and India drove sales with good demand for the Curve 8520, lower prices and increased penetration in the consumer market. However, RIM device sales fell 2%–5% yy in North America, deteriorating from OTR Global's June–August findings as sources grew their Android portfolios and added more iPhone 4s. "BlackBerry sales were hurt by Apple and Android growth. Last year, they had less competition," a source said. Most sources met reduced expectations, and those carrying Torch reported good sales but said other new RIM devices were cannibalizing sales of existing ones.

While noting strong volumes, some European sources said sales would have been even better were it not for a revenue share dispute with RIM concerning its new OS 6.0 platform, as mentioned in OTR Global's [Dec. 6](#) Note.

## RIM Gains Slight QQ Share

Rebounding from share losses in OTR Global's September report, RIM gained slight share overall during September–November qq, with good Curve 8520 and Torch sales and pre-paid launches, and was also helped by improvement in India with significant gains because of aggressive marketing and promotions and the resolution of security concerns. A large carrier said, "[RIM] gained significantly and made up for all the losses in the previous quarter with their excellent marketing campaigns and trust-building exercises. Also, the prices were reduced further for the festive sea-

"BlackBerry sales were hurt by Apple and Android growth. Last year, they had less competition."

*North American source*

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son.” RIM also again gained slight share qq in Europe with the continued success of the 8520, new products such as the Torch 9800 and Curve 9300 and pre-paid offers. RIM’s share was flat–up very slightly in North America, improving with good sales of the Torch. Still, many sources reported losses to Android, intense price pressure and lack of innovation.

In Russia, RIM again lost share qq because its limited range faced strong competition from Apple, Nokia and Samsung. RIM also lost slight share again in China because of its focus on enterprise rather than mass-market customers, who complained it lacked entertainment functions. In Latin America, RIM lost slight share qq, deteriorating because of weak marketing and better entry-level smartphone offerings from others.

## iPhone Gains Again, Availability Improves

Apple’s iPhone continued to gain slight share overall qq during September–November with gains in most regions because of more product availability, but at a slower pace than during June–August. Apple performed best in North America, gaining significantly and improving because of better availability and strong iPhone 4 sales. Apple also improved and gained significant share in China and Russia with the iPhone 4 launch. Apple’s European share was flat–up slightly qq, a slight slowdown after last quarter’s iPhone 4 launch, but it maintained its strong consumer appeal with somewhat better availability and against competition from the likes of Samsung’s Galaxy S.

Apple again lost significant share in India for only two sources carrying the iPhone because of shortages and again lost slight share in Latin America, also with shortages and limited availability. “Apple is not delivering as many iPhone 4s as the Latin American market demands. Its priorities are the European and the North American markets,” a Brazilian source said.

## HTC Gains Despite Supply Issues

HTC gained slight share qq overall during September–November with Android and **Microsoft Corp.**’s Windows Phone 7 devices, a slight deterioration from June–August trends. Despite struggling to meet demand because of AMOLED display shortages, particularly for the Android-based Desire, HTC made further strong share gains in Europe with the continuing appeal of its Android range as well as the introduction of Windows Phone 7 devices, which have generally been well received. “[HTC’s] new Windows Phone 7 devices are selling well,” a source said. HTC improved and gained slight share qq in China with the launch of its own devices, taking back share from its **Dopod International Corp. Ltd.** brand. HTC’s Russian share improved to up slightly qq, as competitive losses were stemmed by a source’s strong Desire sales. HTC lost slight share qq in North America, a deterioration from June–August trends, hurt by shortages, which began improving later in the quarter. It continued to lose slight share in India and Latin America because of its high prices, with few launches in the former and only a small presence in the latter.

## Samsung Gains with Galaxy Family

Despite spot shortages also linked to the AMOLED display issue, Samsung continued to gain slight share globally qq during September–November, led by continued slight gains in North America, Europe and India, mostly because of the Galaxy family of products as well as the Wave’s success in Europe. “[The] Galaxy series is rocking the market,” an Indian source said. Samsung’s share was flat–down slightly in Latin America because its Star TV model lost popularity after the FIFA World Cup ended. The vendor lost slight share in China in the open market because of competition from

“[HTC’s] new Windows Phone 7 devices are selling well.”

*European source*

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iPhone 4, but again gained slightly with carriers because of strong subsidies. In Russia, Samsung lost slight share to competition from Nokia and Apple.

## Nokia Loses to More Dynamic Competition

Globally, Nokia again lost slight share during September–November qq, hurt by losses to more dynamic vendors. Despite the launch of N8 and C7, European sources said Nokia still could not keep up with competitors such as Samsung and iPhone and lost further share because of its relatively high prices. In China, Nokia again lost slight share to HTC and iPhone in high-end sales and was hurt by the delayed launch of the TD-SCDMA C5-01. “The advantages of Nokia’s smartphones are weakening. With the launch of iPhone and HTC, consumers have more choices for professional smartphones,” a source said. In India, Nokia lost slight share qq, a slight deterioration from June–August trends, because of shortages and competition from domestic brands with cheaper and more attractive devices.

Nokia’s gains were limited to three regions. In Russia, Nokia again gained slight share qq, though slowed a bit, with the launch of its N8 and C series. It again gained slight share in North America with the N8 and small volumes of the C6 and improved in Latin America, with slight gains from a broadened portfolio and lower prices, but with a limited number of sources in both regions.

## Motorola Gains Slightly in North America

Motorola smartphone unit sales continued to gain very slight share in North America during September–November driven by models using the Android operating system. Sources also credited the price appeal of many of the vendor’s devices, with one saying, “Price is often the attractive factor for customers buying Motorola.” Sold by only two sources in India, Motorola continued to gain slight share with its Android devices there too.

Globally however, Motorola deteriorated slightly from June–August and lost slight share because sources in other regions said its portfolio was weak compared with other vendors. European sources blamed continuing losses on Motorola’s low emphasis on their market and fewer carrier promotions. Chinese and Latin American sources said Motorola lost slight share, deteriorating, because the vendor’s offers were too limited and, particularly in China, its prices too high. “Although Moto[rola]’s single models are selling like hotcakes in the market, its number of models and sales volume are less than that of Samsung,” one said.

## Huawei, ZTE Keep Gaining, Palm Loses

**Huawei Technologies Co. Ltd.** and **ZTE Corp.** gained share qq during September–November globally with low-cost, entry-level smartphones. Meanwhile, **Micromax Informatics Ltd.** continued to make gains in India with its high-quality range of low-cost devices and strong marketing campaign. **Hewlett-Packard Co.**’s Palm continued to lose share with limited sources as remaining supplies were sold off. **LG Electronics Inc.**, **Sony Corp.** and **Ericsson LM** continued to lose share globally with few launches and devices, though LG gained share in North America with its Quantum Windows Phone 7 and the Optimus Android, with gains however on a very low base.

## Pricing Trends Flat to Down QQ

Global wholesale pricing remained the same or decreased slightly qq during September–November, following normal market trends. Sources said Samsung, RIM, Nokia and LG cut prices most, generally to compete with Apple. However, counter to usual price erosion trends, wholesale prices remained

“The advantages of Nokia’s smartphones are weakening. With the launch of iPhone and HTC, consumers have more choices for professional smartphones.”

*Chinese source*

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the same for two-thirds of Western European and North American sources, as well as most Russian sources. As in OTR Global's September report, several European sources said wholesale prices had risen because of higher component prices and the impact of the euro/dollar exchange rate.

## Key Android, WP7 Devices Expected

For December–February, sources principally expect new key Android and Windows Phone 7 devices from Samsung, HTC and LG, a new Wave from Samsung, new launches from Motorola and the E7 from Nokia. Globally, December–February smartphone order volumes are expected to favor Apple, HTC and Samsung, similar to September–November, helped by launches and more availability. Motorola is expected to be flat–up slightly on gains from new launches in Europe and Latin America but will lose slight share in North America because of less carrier focus.

RIM is expected to lose share globally, driven by losses in Europe because of strong competition, and possible cuts to orders. However, RIM likely will maintain share in North America with price drops and help from its Playbook launch. “There should be a strong pull effect from RIM's Playbook launch if the launch is well coordinated,” a source said. RIM is expected to also gain in Latin America and India.

Nokia is expected to lose share in most regions, including Europe, North America, China and Russia, as carriers focus on other vendors. LG and Sony Ericsson are expected to lose share as sources expect few new launches from them.

“There should be a strong pull effect from RIM's Playbook launch if the launch is well coordinated.”

*North American source*

## Pricing, Pre-paid Help RIM YY Orders

RIM's global December–February orders are expected to rise double digits yy because of price drops, more pre-paid offers and more devices. Growth is expected to be highest in Europe and Latin America with more pre-paid offers and lower price points, the continuing popularity of the 8520 and growth into new Eastern European markets. RIM also is expected to grow in China with more models and carriers yy. Indian sources also expect double-digit growth driven by lower price points and carriers' promotions. RIM orders in Russia are expected to be flat–up with more devices added. However, North American sources expect RIM's orders to deteriorate to flat–down slightly yy, with few new additions to their portfolios. Sources said price drops on key devices would help, as would the launch of Playbook during 1Q10.

## Smartphone Demand to Grow Significantly

Smartphone demand is expected to grow during December–February yy, with more than two-thirds of global sources saying they would rise significantly, driven by customers' appetites for smartphones and lower device and data prices. “The smartphone market is simply hot, hot, hot,” a European source said. Pricing and migration to smartphones are expected to drive demand in North America and Europe, while new launches and lower prices are expected to fuel demand in Russia and India. Lower device prices and broader offerings are expected to drive growth in Latin America, and pricing and carrier subsidies are likely to boost demand in China.

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## NORTH AMERICA

"In this environment, you have to be at \$200 or sub-\$200. What stimulates sales on any SKUs, including from BlackBerry, are price drops."

"We've made a conscious decision not to promote BlackBerry because of their high monthly access fee, and while smartphone sales have increased, many of these new sales are Androids."

"There is a huge demand for the iPhone 4, and Apple finally shipped us product. We didn't get all that we ordered, but a lot more than we usually do, and we could sell a lot more than that even."

"We actually got the Apple iPhones that we ordered. Apple knows that [in our region] RIM is the favorite, so when we launched the Torch, Apple made sure they delivered all of the iPhones that we ordered to compete with the Torch."

"Although we thought Nokia would lose share this quarter, it actually remained on par because we decided to drop the price of the Nokia devices. But our volume of Nokia devices is very small."

"HTC gained with new devices last quarter; there was a spike, and now it's leveling off again."

"Like-for-like, there really has been very little change [in average wholesale prices]. RIM is being the most aggressive with price, but with them it's all a game. They start their prices out really high and then cut the price so they look like heroes."

"Samsung helped fund the BOGO promo and reduced prices. None of the other vendors came close."

"Inventory is better than last quarter with HTC not suffering as much from shortages, and iPhone is also OK. However, we still have tight inventory on the LG Optimus."

"RIM has really a large amount of share in our portfolio, and since we'll not be launching any new devices from RIM, they have nowhere to go but down. But they will decline only slightly."

"Apple has room to grow still with new colors, like white."

"I expect Motorola to gain from Samsung. If you look at U.S. market share, they're about equal, and when one gains, the other loses. If the Motorola tablet is launched, that will help Motorola sales. The question with the Motorola tablet is: Will they enter the market with a 10-inch tablet, or a 7-inch one? Ten-inch would be best."

"We are expecting a 20%–30% increase in smartphone demand. There is a lot more focus on smartphones this year, and we have a lot more affordable smart devices in our portfolio which will help to drive additional migration to the smartphone category."

## FRANCE

"[Nokia's] N8 was delayed and now has technical problems. We started selling the C7, but that has a problem: the price is not adapted to its capabilities. And the C7 creates confusion in customers' minds when they see the N8; there is a positioning problem for the C7 versus the N8."

"iPhone lost about 25% market share because of shortages and competition from Samsung's Wave and Galaxy S."

## GERMANY

"RIM is underperforming [the category] as their devices are not as sophisticated as the Android alternatives."

"We have significantly reduced our promotional efforts on RIM in Germany, moving the money toward HTC, where we get better customers who are willing to pay the same or more while we don't have to pay [RIM's] access fees."

## SPAIN

"With the launch of RIM's Torch, we've seen more demand for RIM, and [RIM's] tariffs are now better and more accepted by our customers."

"September–November was a bit quiet this year, but we have about 30% more penetration of smartphones than we had last year."

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## UNITED KINGDOM

"[RIM's] 9800 sales are phenomenal — far higher than we'd expected. It's currently the second-best-selling RIM device for us. We thought the 9105 would be the big success and the 9800 would struggle, but it's been the polar opposite of that. That applies across Europe."

"HTC could probably have 30%–40% more business than it has if it had the capacity to produce more."

"Wholesale prices have been relatively flat and there have been some price increases because of component shortages. There would normally be a 5%–7% decrease in the market [between 3Q10 and 4Q10], but that hasn't happened."

## PAN-EUROPEAN

"Smartphones are the way; we will soon cross 75% share of smartphones in our portfolio, mostly driven by Apple."

"The growth potential for RIM in Europe is huge, especially in Eastern Europe. Growth will move progressively east. There's a massive opportunity for RIM in Poland, for example."

"With iPhone, we're selling everything we can and could have sold more, but Apple had supply issues with iPhone 4 and they sold a lot of volume to Korea."

"In share terms, Nokia is really going down in flames. Nokia had a catastrophic [3Q10], beyond any expectations. They're suffering very much."

"Apple will need a cheaper device soon to catch the next wave of customers, or they will hit a wall in 2011. There is a limited number of people and carriers willing to dump so much money on Apple."

## RUSSIA

"Nokia lost slightly starting from late October when Samsung's Wave and Apple's iPhone 4 hit the market."

"We have cut HTC's share to a minimum. The brand is no longer popular and cannot compete with leaders like Apple, Nokia and Samsung."

"Consumers are getting used to paying for software instead of downloading it for free from various pirate sites, so applications and services matter more than two years or even one year ago."

## BRAZIL

"Demand for the smartphone category grew a lot in Brazil over the past 12 months due to broader portfolios, cheaper prices and carriers' marketing campaigns."

"Vendors' portfolios are focused more and more on smartphones and data connectivity."

"This quarter, we have sold more Curve units than all BlackBerry models put together in the same quarter of the past year."

"HTC had important orders to supply corporate users this quarter, especially for the Touch 2, a Windows Mobile 6.5 model."

"Nokia and Samsung will rule Christmas smartphones sales in Brazil. Both have models with cheap prices and good features."

## MEXICO

"Prepaid BlackBerries generate sales for a certain zone in the market. People who never had the opportunity to own a BlackBerry can get one, even though it's a low-end device."

"We still have some Palms in the portfolio, but Palm as a brand continues to fade out."

## PAN-LATIN AMERICA

"The smartphone category has been growing like crazy this year. A lot of it is coming from BlackBerry."

"RIM is the worst vendor of the whole lot in the way of not being a true partner. ... People are just using BlackBerry because of the services. Their devices are not capable of much compared to the Android devices."

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“Next year, half of all our new intros will be smartphones.”

## CARIBBEAN AND CENTRAL AMERICA

“BlackBerry has successfully transitioned from corporate to mostly consumer sales.”

“People are delighted with the Torch. In my book, it replaces the Bold that I think was very popular amongst men. Torch has the touch option, plus QWERTY, and it is attractive. The main barrier is that it is a very expensive product, especially for this region.”

“The iPhone 4 is a good device, but in Latin America, penetration is still very low.”

“HTC tends to be the Android leader; we are getting pockets of demand, but still in very small numbers.”

“We believe we need to be prepared with the Android — it’s picking up steam. It’s going to take a little time in our region. I would give it about eight months.”

## CHINA

“As many manufacturers launched flagship handsets to compete with iPhone, prices of high-end smartphones decreased; so unit sales of smartphones are growing.”

“Nokia delayed its TD C5-01 smartphone launch in our channel. At present, we just have Nokia’s 6788i and X5 00 with approximately a 50% subsidy.”

“[iPhone 4] sales exceeded our expectations. Consumers rushed to buy them and they sold out very fast. Apple gained some market share from Nokia and Samsung.”

“Moto[rola]’s sales mainly depend on XT701 and XT702. They have almost no promotions on smartphones, and their market share was taken by Samsung.”

“Samsung’s brand reputation is not as good as iPhone’s. Even though Samsung’s smartphones are not bad, it still lost slightly due to the stiff competition from iPhone.”

“Sony Ericsson and LG lost slightly from the market share of high-end smartphones due to the launch of HTC. Now their main market is the middle- and low-end smartphone market.”

“Smartphones are not top consumer goods, but ZTE and Huawei launched several models that cost around 1,000 yuan [\$150]. These continuously decreasing prices will promote sales and market demand.”

## INDIA

“Smartphones as a category have grown over 50% year to year; it has almost become the basic phone. All upgrades are to smartphones.”

“RIM has been very aggressive in marketing, in pricing, etc., and are competing with the traditional handset brands very strongly.”

“Their new advertisement of ‘BlackBerry Boys’ has become a popular ‘caller tune’ now among youth.”

“Nokia lost the momentum it gained with its C-series devices to the domestic brands that came up strongly with cheaper and attractive devices.”

“We will not have volume sales like in the United States or Europe for iPhone, but there is a market, just as there is a market for Mercedes-Benz versus other cars.”

“[Samsung] will lose slightly due to more focus on BlackBerry on the higher end and on Micromax at the low end.”

“[The smartphone category] is set to grow further with 3G coming in, and nobody now wants to buy a phone that is not 3G ready.”

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## 1. Did total smartphone unit sales increase, decrease or remain the same during September–November yy?

	NORTH AMERICA	LATIN AMERICA	EUROPE	CHINA	INDIA	RUSSIA	TOTAL
Up more than 100%:	-	3*	1	-	-	-	4
Up 91%–100%:	-	2	2	-	1	-	5
Up 71%–80%:	1	-	1	-	1	-	3
Up 61%–70%:	-	-	1	-	-	-	1
Up 51%–60%:	-	-	1	1	-	-	2
Up 41%–50%:	2	1	3	1	2	1	10
Up 31%–40%:	1	-	2	-	-	3	6
Up 26%–30%:	-	2	1	-	-	1	4
Up 21%–25%:	1	-	1	3	1	-	6
Up 16%–20%:	2	-	-	1	3	-	6
Up 11%–15%:	1	-	-	4	1	-	6
Up 6%–10%:	-	-	1	3	-	-	4
Up 1%–5%:	1	-	-	-	-	-	1
<b>Weighted average:</b>	<b>Up 15%–20%</b>	<b>Up 101%–106%</b>	<b>Up 46%–51%</b>	<b>Up 12%–17%</b>	<b>Up 20%–25%</b>	<b>Up 38%–43%</b>	<b>Up 31%–36%</b>
<b>September average:</b>	<b>Up 14%–19%</b>	<b>Up 28%–33%</b>	<b>Up 50%–55%</b>	<b>Up 11%–16%</b>	<b>Up 16%–21%</b>	<b>Up 19%–24%</b>	<b>Up 26%–31%</b>

\* One outlier excluded from averages

## 2a. Did total BlackBerry unit sales increase, decrease or remain the same during September–November yy?

Up more than 100%:	-	1*	2	-	-	-	3
Up 91%–100%:	-	2	2	-	1	-	5
Up 71%–80%:	-	-	1	-	-	-	1
Up 61%–70%:	-	-	2	-	-	-	2
Up 51%–60%:	1	-	2	-	-	-	3
Up 41%–50%:	-	1	-	-	3	-	4
Up 31%–40%:	-	1	2	-	-	-	3
Up 26%–30%:	-	-	-	-	1	1	2
Up 21%–25%:	1	-	2	-	1	-	4
Up 16%–20%:	-	1	-	-	-	-	1
Up 6%–10%:	-	1	-	-	-	1	2
Up 1%–5%:	1	-	-	2	-	-	3
Up:	-	-	1	-	-	-	1
Flat:	2	-	-	-	-	1	3
Down:	-	1	-	-	-	-	1
Down 1%–5%:	1	-	-	-	-	-	1
Down 11%–15%:	2	-	-	-	-	-	2
Down 16%–20%:	1	-	-	-	-	-	1
Not applicable:	-	-	-	11	3	2	16
<b>Weighted average:</b>	<b>Down 2%–5%</b>	<b>Up 48%–53%</b>	<b>Up 69%–74%</b>	<b>Not averaged</b>	<b>Up 43%–48%</b>	<b>Not averaged</b>	<b>Up 32%–37%</b>
<b>September average:</b>	<b>Up 6%–11%</b>	<b>Up 36%–41%</b>	<b>Up 77%–82%</b>	<b>Not averaged</b>	<b>Up 39%–44%</b>	<b>Not averaged</b>	<b>Up 34%–39%</b>

\* One outlier excluded from averages

## 2a. Did BlackBerry device sales exceed, meet or fall below expectations during September–November?

Exceeded:	-	1	2	-	4	-	7
Met:	8	6	12	5	3	2	36
Fell below:	1	1	-	1	-	1	4
Not applicable:	-	-	-	7	2	2	11

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## 3a. Which of these smartphone vendors gained, maintained or lost share in your portfolio during September–November qq?

NOKIA	NORTH AMERICA	LATIN AMERICA	EUROPE	CHINA	INDIA	RUSSIA	TOTAL
Gained significantly:	1	-	-	-	-	1	2
Gained slightly:	1	3	3	1	-	3	11
On par:	1	1	-	2	2	-	6
Lost slightly:	1	1	9	9	1	1	22
Lost significantly:	-	-	1	-	-	-	1
Not applicable:	5	3	1	1	6	-	16
<b>RIMM</b>							
Gained significantly:	1	1	-	-	3	-	5
Gained slightly:	1	2	7	2	2	-	14
On par:	2	2	4	-	1	1	10
Lost slightly:	5	3	2	4	-	2	16
Lost significantly:	-	-	1	-	-	1	2
Not applicable:	-	-	-	7	3	1	11
<b>APPLE'S IPHONE</b>							
Gained significantly:	3	-	1	3	-	4	11
Gained slightly:	-	2	2	2	-	-	6
On par:	1	-	6	-	-	1	8
Lost slightly:	-	2	2	-	1	-	5
Lost significantly:	-	-	1	-	1	-	2
Don't know:	-	-	1	-	-	-	1
No response:	1	-	-	-	-	-	1
Not applicable:	4	4	1	8	7	-	24
<b>HTC</b>							
Gained significantly:	-	1	2	-	-	1	4
Gained slightly:	3	-	7	7	-	-	17
On par:	3	2	3	-	2	1	11
Lost slightly:	2	-	2	6	3	2	15
Lost significantly:	1	1	-	-	1	1	4
Not applicable:	-	4	-	-	3	-	7
<b>MOTOROLA</b>							
Gained slightly:	3	2	3	3	2	-	13
On par:	3	4	1	4	-	-	12
Lost slightly:	2	1	2	6	-	-	11
Lost significantly:	1	-	1	-	-	-	2
Not applicable:	-	1	7	-	7	5	20
<b>SAMSUNG</b>							
Gained significantly:	-	-	1	1	2	-	4
Gained slightly:	7	3	9	5	1	3	28
On par:	-	-	1	2	1	-	4
Lost slightly:	2	-	2	5	2	1	12
Lost significantly:	-	1	-	-	-	1	2
Not applicable:	-	4	1	-	3	-	8

## Smartphones

**3b. Which other smartphone vendors have been gaining or losing share in your product portfolio? (Some sources gave more than one answer while others did not respond.)**

GAIN	NORTH AMERICA	LATIN AMERICA	EUROPE	CHINA	INDIA	RUSSIA	TOTAL
LG:	6	-	-	1	-	2	9
Huawei:	1	-	2	4	2	-	9
ZTE:	-	-	2	4	-	-	6
Sony Ericsson:	-	1	-	3	1	-	5
Micromax:	-	-	-	-	5	-	5
Coolpad:	-	-	-	4	-	-	4
K-Touch:	-	-	-	3	-	-	3
Acer:	1	-	-	-	-	1	2
Other:	2	-	1	2	2	-	7
None:	2	7	9	2	-	2	22
<b>LOSE</b>							
LG:	2	2	6	3	3	1	17
Sony Ericsson:	1	-	9	3	1	1	15
Palm:	5	1	1	-	-	-	7
Lenovo:	-	-	-	5	-	-	5
Coolpad:	-	-	-	2	-	-	2
ZTE:	-	-	-	-	2	-	2
Other:	2	-	-	2	1	-	5
None:	2	5	3	-	-	3	13

**4a. Did smartphone wholesale prices increase, decrease or remain the same during September–November qq?**

Increased slightly:	-	-	3	-	-	-	3
Same:	6	-	9	3	1	4	23
Decreased slightly:	3	6	2	8	7	1	27
Decreased significantly:	-	1	-	2	-	-	3
Don't know:	-	1	-	-	-	-	1
Not applicable:	-	-	-	-	1	-	1

**4b. Which smartphone brands most aggressively cut wholesale prices during September–November? (Some sources gave more than one answer while others did not respond.)**

Samsung:	1	1	-	5	-	2	9
RIM:	1	4	1	-	2	-	8
Nokia:	-	1	-	4	1	-	6
LG:	2	1	-	-	-	1	4
Micromax:	-	-	-	-	3	-	3
Motorola:	-	1	-	1	-	-	2
Other:	1	-	-	5	-	-	6
None:	5	2	13	5	3	3	31

**5. Did you experience smartphone inventory excesses or shortages during September–November?**

Slight excess:	-	-	-	2	3	-	5
Normal inventory:	3	2	3	6	4	-	18
Slight shortages:	3	2	3	2	-	-	10
Moderate shortages:	-	-	2	2	-	4	8
Significant shortages:	1	3	6	-	2	1	13
Mixed inventories:	2	1	-	1	-	-	4

## Smartphones

## 6. Which new smartphone models do you expect to add to your lineup during December–February? (Some sources gave more than one answer while others did not respond.)

	NORTH AMERICA	LATIN AMERICA	EUROPE	CHINA	INDIA	RUSSIA	TOTAL
HTC:	4	1	6	4	2	-	17
Nokia:	1	1	3	8	2	2	17
Samsung:	2	1	5	2	2	3	15
RIM:	1	2	1	1	5	1	11
Motorola:	2	2	3	2	-	-	9
LG:	3	1	3	-	-	-	7
Micromax:	-	-	-	-	4	-	4
Sony Ericsson:	-	2	-	-	-	-	2
Huawei:	-	-	1	-	-	1	2
Other:	3	1	1	3	1	-	9
None:	-	2	1	-	-	-	3

## 7a. Which smartphone vendors do you expect to gain, maintain or lose share in your portfolio during December–February qq?

## NOKIA

Gain significantly:	-	1	-	-	-	-	1
Gain slightly:	-	2	3	1	2	2	10
On par:	2	1	2	4	1	1	11
Lose slightly:	2	2	5	7	-	2	18
Lose significantly:	-	-	3	-	-	-	3
Don't know:	-	-	-	-	1	-	1
Not applicable:	5	2	1	1	5	-	14

## RIMM

Gain significantly:	-	-	-	-	3	-	3
Gain slightly:	2	3	3	2	-	1	11
On par:	4	4	8	2	2	1	21
Lose slightly:	3	1	2	2	1	1	10
Lose significantly:	-	-	1	-	-	1	2
Not applicable:	-	-	-	7	3	1	11

## APPLE'S IPHONE

Gain significantly:	1	1	2	1	-	2	7
Gain slightly:	2	4	-	4	-	3	13
On par:	1	-	9	-	-	-	10
Lose slightly:	1	-	2	-	1	-	4
Lose significantly:	-	-	-	-	1	-	1
No response:	1	-	-	-	-	-	1
Not applicable:	3	3	1	8	7	-	22

## HTC

Gain significantly:	1	-	-	-	-	-	1
Gain slightly:	3	1	8	5	1	1	19
On par:	3	2	6	4	3	2	20
Lose slightly:	2	1	-	4	3	2	12
Lose significantly:	-	1	-	-	-	-	1
Not applicable:	-	3	-	-	2	-	5

## Smartphones

MOTOROLA	NORTH AMERICA	LATIN AMERICA	EUROPE	CHINA	INDIA	RUSSIA	TOTAL
Gain slightly:	2	3	4	4	-	-	13
On par:	1	3	3	3	1	-	11
Lose slightly:	6	1	-	6	-	-	13
No response:	-	-	-	-	1	-	1
Not applicable:	-	1	7	-	7	5	20

## SAMSUNG

Gain significantly:	1	-	-	1	2	1	5
Gain slightly:	4	3	10	5	2	3	27
On par:	-	-	4	4	1	1	10
Lose slightly:	3	-	-	3	2	-	8
Lose significantly:	1	1	-	-	-	-	2
Not applicable:	-	4	-	-	2	-	6

**7b. Which other smartphone vendors do you expect to gain or lose share in your portfolio during December 2010 — through February 2011 qq? (Some sources gave more than one answer while others did not respond.)**

## GAIN

LG:	6	1	2	2	-	-	11
Huawei:	1	-	-	2	2	1	6
Sony Ericsson:	-	1	-	4	-	-	5
Coolpad:	-	-	-	4	-	-	4
Micromax:	-	-	-	-	4	-	4
Dell:	1	-	1	-	-	-	2
Lenovo:	-	-	-	2	-	-	2
ZTE:	-	-	-	2	-	-	2
Other:	3	-	-	1	3	-	7
None:	2	6	11	-	1	4	24

## LOSE

LG:	3	2	5	2	3	3	18
Sony Ericsson:	2	-	10	2	1	2	17
Palm:	5	1	1	-	-	-	7
Coolpad:	-	-	-	3	-	-	3
Huawei:	1	-	-	1	-	-	2
ZTE:	-	-	-	-	2	-	2
Other:	1	-	-	4	1	-	6
None:	1	5	2	4	-	2	14

## Smartphones

## 8. Do you expect BlackBerry unit orders during December–February to increase, decrease or remain the same yy?

	NORTH AMERICA	LATIN AMERICA	EUROPE	CHINA	INDIA	RUSSIA	TOTAL
Up 91%–100%:	-	2	1	-	-	-	3
Up 71%–80%:	-	-	1	-	-	-	1
Up 51%–60%:	-	-	1	-	-	-	1
Up 31%–40%:	-	-	-	-	1	-	1
Up 26%–30%:	-	1	-	-	1	-	2
Up 21%–25%:	-	1	-	-	1	-	2
Up 16%–20%:	1	-	1	-	2	1	5
Up 1%–5%:	1	-	-	2	-	-	3
Up:	-	3	9	-	1	1	14
Flat:	3	1	1	-	-	2	7
Down 1%–5%:	2	-	-	-	-	-	2
Down 6%–10%:	1	-	-	-	-	-	1
Down 41%–50%:	1	-	-	-	-	-	1
Not applicable:	-	-	-	11	3	1	15
<b>Weighted average:</b>	<b>Flat–down slightly</b>	<b>Up 76%–81%</b>	<b>Up 70%–75%*</b>	<b>Not averaged</b>	<b>Up 22%–27%</b>	<b>Not averaged</b>	<b>Up 17%–22%*</b>
<b>September average:</b>	<b>Up 4%–9%</b>	<b>Not averaged</b>	<b>Up 53%–58%*</b>	<b>Not averaged</b>	<b>Up 19%–24%</b>	<b>Not averaged</b>	<b>Up 20%–25%</b>

\* Average represents one-half or less of the source base

## 9. Do you expect smartphone demand during December 2010–February 2011 to increase, decrease or remain the same yy?

Increase significantly:	7	7	11	6	7	3	41
Increase slightly:	1	-	2	7	2	2	14
On par:	1	-	1	-	-	-	2
No response:	-	1	-	-	-	-	1

## Carriers Only

## 8. On which vendors did you focus your primary promotional activity during September–November? (Some sources gave more than one answer while others did not respond.)

Samsung:	5	3	4	5	-	-	17
RIM:	1	4	4	-	3	1	13
HTC:	4	-	5	1	-	-	10
Nokia:	1	3	2	-	-	-	6
Motorola:	1	3	-	1	-	-	5
ZTE:	-	-	-	4	-	-	4
Apple's iPhone:	-	-	1	1	-	1	3
Huawei:	-	-	-	2	-	-	2
Micromax:	-	-	-	-	2	-	2
Other:	1	-	1	2	-	-	4
None:	-	-	-	-	-	1	1

# Smartphones

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