

Smartphone Shipments Reach Second Highest Level for a Single Quarter as Worldwide Volumes Reach 355.2 Million in the Third Quarter, According to IDC

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According to the latest preliminary results from the International Data Corporation (IDC) Worldwide Quarterly Mobile Phone Tracker, vendors shipped a total of 355.2 million smartphones worldwide in the third quarter of 2015 (3Q15), up 6.8% from the 332.6 million units in 3Q14, marking the second highest quarter of shipments on record. The 3Q15 shipments were slightly below IDC's previous forecast of 363.8 million units, largely due to slightly lower than expected iPhone shipments, as well as Android flagship introductions from several top-tier OEMs with price points outside the consumer sweet spot.

"The vendor landscape and product offerings are really unique at the moment as many markets are seeing consumers become more aware of alternative buying options when it comes to paying for their smartphone," said Ryan Reith, Program Director with IDC's Worldwide Quarterly Mobile Phone Tracker. "In mature and subsidized markets, we now have a wide range of operators offering equipment installation plans (EIP), as well as early trade-in options. At the same time the number of unlocked/off-contract offerings has increased significantly and it's slowly starting to resonate with consumers. Within these markets these moves will put pressure directly on Android OEMs with offerings that are greater than \$500."

"The third quarter placed a substantial emphasis on flagship devices as vendors tried to outclass each other in both features and design," said Anthony Scarsella, Research Manager, Mobile Phones. "New flagship models translated to fiercer competition at the high-end for most players as many will try to challenge both Samsung and Apple for a place among the elite. However, despite the glitz and glamour at the high-end, we still expect the bulk of volume and growth to once again sprout from low to mid-range handsets, particularly in emerging markets."

### Smartphone Vendor Highlights:

**Samsung** once again remained the overall leader in the worldwide smartphone market with 84.5 million units shipped, up 6.1% from last year. Samsung remained focused on premium handsets with the launch of two new flagship devices, the Galaxy S6 edge + and Note5. Beating Apple to the punch with an untraditional August launch for the Note series (and new S6 edge +), Samsung saw stronger than normal September shipments as the new iPhone was yet to be released. Outside of the key flagship models, sub-\$200 devices (Galaxy Core/Grand Prime, J-Series) drove a majority of shipments in many key emerging markets.

**Apple's** newest iPhones helped drive third quarter shipments of 48.0 million units, up 22.2% from the 39.3 million units last year. With a record-breaking 13 million iPhone 6S and 6S Plus units shipped during launch week, the two new models continue to capture upgraders and Android converts alike in many key markets such as China and the United States. The arrival of the new "S" models brings a new Rose gold color to the table along with Force Touch, improved camera, and a faster processor. Older iPhone 5S, 6, and 6 Plus models also sold vigorously during the quarter thanks to recent price cuts across all models. Apple's recently launched upgrade plan should also help drive handset upgrades in developed markets where smartphone saturation continues to increase.

**Huawei** shipped 26.5 million units, up an impressive 60.9% from last year. Huawei once again focused its efforts on the mid-to-high range as nearly a third of the quarterly shipments were in this price range. Devices like the Honor 6 Plus and Ascend P8 helped grow the mid-to-high range 25% from last year according to Huawei. Despite the rapid growth in China and Europe, Huawei will need to focus on the United States where its presence remains relatively low. The recent launch of the new premium Nexus 6P device could signal that Huawei is finally ready to seriously compete in the U.S.

**Lenovo** continued to fight its way to the top of the smartphone market with help from its acquired assets in Motorola. In the third quarter, combined shipments of Lenovo and Motorola-branded smartphones reached 18.8 million, which was up 11.1% from a year ago. Lenovo-branded smartphones have predominantly been a China play, although recently growth has taken off in Middle East & Africa, as well as Central & Eastern Europe. Motorola's strong markets continue to be North America and Latin America, where its variants of Moto X, G, and E hit on attractive price tiers.

**Xiaomi** shipped 18.3 million smartphones in 3Q15, bringing its 2015 total to 52.1 million. While the company continues its pursuit of branching off into Southeast Asia, India, and Brazil, China still remains the sweet spot for the company. Within China, Xiaomi launched the Redmi Note 2, Redmi 2A Prime, as well as the Mi 4c in the third quarter. The Redmi Note 2 was the most popular model among Chinese consumers and drove volumes through Xiaomi's retail location known as the Mi Home.

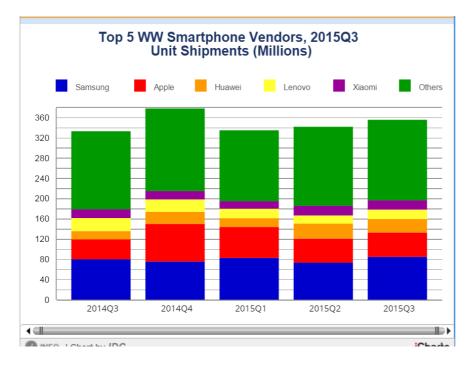
Vendor	3Q15 Shipment Volumes	3Q15 Market Share	3Q14 Shipment Volumes	3Q14 Market Share	Year- Over- Year Change
Samsung	84.5	23.8%	79.6	23.9%	6.1%
Apple	48.0	13.5%	39.3	11.8%	22.2%
Huawei	26.5	7.5%	16.5	5.0%	60.9%
Lenovo*	18.8	5.3%	16.9	5.1%	11.1%
Xiaomi	18.3	5.2%	17.3	5.2%	5.6%
Others	159.1	44.8%	163.0	49.0%	-2.4%
Total	355.2	100.0%	332.6	100.0%	6.8%
Lenovo + Motorola	18.8	5.3%	25.7	7.7%	-26.8%

Top Five Smartphone Vendors, Shipments, Market Share and Year-Over-Year Growth, Q3 2015 Preliminary Data (Units in Millions)

Source: IDC Worldwide Quarterly Mobile Phone Tracker, October 28, 2015

#### Table Notes:

- Data is preliminary and subject to change.
- Vendor shipments are branded device shipments and exclude OEM sales for all vendors.
- The "Vendor" represents the current parent company (or holding company) for all brands owned and operated as subsidiary.
- For year-over-year comparison, an extra line has been added below the quarterly and annual tables to show what Lenovo's growth would have looked like had its acquisition of Motorola been completed prior to the start of 4Q14.



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For more information about IDC's Worldwide Quarterly Mobile Phone Tracker, please contact Kathy Nagamine at 650-350-6423 or knagamine@idc.com.

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