



Gartner Dataquest Says Fourth Quarter Sales Lead Mobile Phone Market to 6 Percent Growth in 2002

SAN JOSE, Calif., March 10, 2003 — Worldwide mobile phone unit sales totaled 423.4 million units in 2002, a 6 percent increase from 2001, according to Dataquest Inc., a unit of Gartner, Inc. (NYSE: IT and ITB). Fourth quarter worldwide mobile phone sales totaled 122.6 million units, an increase of 14 percent vs. the same period last year.

Gartner Dataquest analysts noted that fourth quarter mobile operator connection growth came in well above industry expectations in almost every region of the world, helping to drive fourth quarter sales up almost 15 percent sequentially.

"Consumers embraced a variety of innovative handsets, especially those with color screens, rather than delaying replacement purchases because of an ongoing lack of compelling mobile data services," said Bryan Prohm, senior analyst with the Mobile Communications Worldwide research group for Gartner Dataquest. "This is an encouraging trend, because as carriers and manufacturers determine how to better align devices with applications and services, the market may again prove stronger than expected during 2003."

Once again, the largest vendors realized much better results than the smaller and regional vendors in 2002. Four of the top five vendors gained market share vs. 2001 (see Table 1), while Samsung led all vendors with a 47.6 percent increase in sales to end-users.

Table 1

Worldwide Mobile Terminal Sales to End-User Estimates for 2002 (Thousands of Units)

| Company | 2002 Sales | 2002 Market Share (%) | 2001 Sales | 2001 Market Share (%) | sGrowth (%) |
|----------------|-------------------|------------------------------|-------------------|------------------------------|--------------------|
| Nokia | 151,421.8 | 35.8 | 139,672.2 | 35.0 | 8.4 |
| Motorola | 64,640.1 | 15.3 | 59,092.2 | 14.8 | 9.4 |
| Samsung | 41,684.4 | 9.8 | 28,233.5 | 7.1 | 47.6 |
| Siemens | 34,618.0 | 8.2 | 29,752.8 | 7.4 | 16.4 |
| SonyEricsson | 23,112.9 | 5.5 | 26,955.9 | 6.7 | -14.3 |
| Others | 107,941.4 | 25.5 | 115,876.6 | 29.0 | -6.8 |
| Total | 423,418.5 | 100.0 | 399,583.2 | 100.0 | 6.0 |

Note: Ericsson sales only in 2001. Sony 2001 sales included in Others. This table does not include iDEN sales to end-users.

Source: Gartner Dataquest (March 2003)

Nokia's 2002 market share reached 35.8 percent, almost a full percentage point gain in market share vs. the fourth quarter of 2001. Nokia did even better in the fourth quarter of 2002 when its market share approached 37 percent. However, Gartner Dataquest analysts said the vendor will face challenges in 2003.

"Some large Global System for Mobile Communications (GSM) carriers will actively promote other manufacturers' products during 2003 in an attempt to restrain Nokia's growth in major markets," said

Ben Wood, senior analyst with the Mobile Communications Group for Gartner Dataquest in Europe. "Nevertheless, multiple opportunities exist for Nokia to maintain and even increase its market share in 2003, particularly in code division multiple access (CDMA) markets in Asia/Pacific and the Americas."

Some key product delays hampered Motorola's recovery during 2002, and the company netted only a small year-over-year increase in market share, but prospects for 2003 remain bright. "During 2003, look for Motorola to again vie for leadership of the global CDMA market, consolidate an emerging leadership position in the Americas and move to defend share in China. Motorola's greatest challenge however, remains how to address an enduring weakness in the Europe, Middle East and Africa (EMEA) region Prohm said.

Samsung, the world's third-largest vendor of mobile phones during 2002, is positioned for continued success in 2003. "Samsung has a mature and innovative handset portfolio encompassing CDMA, GSM, time division multiple access (TDMA), and it maintains a strong presence in all major markets except Japan. It has become almost universally regarded as the industry's most significant threat to incumbent mobile terminal manufacturers," said Ann Liang, industry analyst with the Mobile Communications Group for Gartner Dataquest in Asia/Pacific.

This research is published by Gartner Dataquest's Mobile Communications Worldwide research group. This group examines the opportunities in mobile communications with detailed coverage of the entire value chain of mobile services and equipment that are enabling the creation of a new wire-free networked economy. To keep up to date on the latest telecommunications issues, please visit Gartner's Telecommunications Focus Area at <http://www4.gartner.com/pages/section.php?id.2030.s.8.jsp>.

Gartner Dataquest, a unit of Gartner, Inc., is the recognized leader in providing the high-technology and financial communities with market intelligence for the semiconductor, computer systems and peripherals, communications, document management, software, and services sectors of the global information technology industry.