

Media alert: Smart phone shipments to grow 5% in 2016 despite Apple posting first annual decline

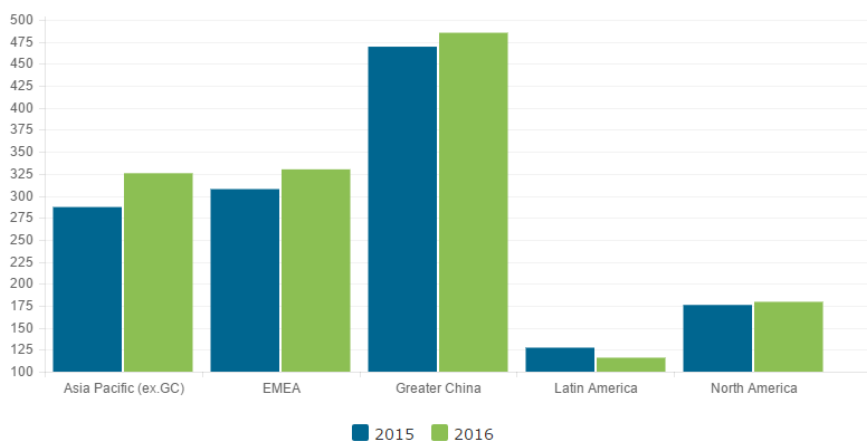
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Canalys' latest market forecast shows worldwide smart phone shipments will reach just over 1.4 billion units in 2016 - a 5% year-on-year increase.

Shipments in Asia Pacific (excluding Greater China) are expected to grow by 13%. 'The smart phone markets in India and the Philippines are performing well in 2016, with annual growth expected to reach 21% and 26% respectively,' said Ishan Dutt, Research Analyst. 'Smart phone penetration in these markets remains low, meaning there is a big opportunity for vendors. Growth in established markets is harder to find but, despite shipment declines in the first two quarters, we expect Western Europe and North America to return to growth in the second half of the year. Both regions will end 2016 with single-digit percentage shipment increases, helped by the launch of a new iPhone.'



Smart phones, Worldwide, units (millions) by region, 2016 and 2015



Despite the new iPhone, Canalys expects Apple's worldwide shipments will decline in 2016, as it continues to struggle in China. 'The launch of the iPhone 6 saw Apple's shipments in Greater China skyrocket, but the company has struggled to maintain this momentum,' said Research Analyst Jessie Ding. 'The iPhone 6s had a lackluster reception in comparison and the iPhone SE is unlikely to make a big difference to Apple's fortunes in the region this year. Local players have

improved product quality and offer much better value for money. Huawei, Oppo and Vivo offer products with better specifications at significantly lower price points. The iPhones lack features such as waterproofing and wireless charging. Apple needs to catch up with the competition if it wants to compete.'

For more information, please contact:

- Canalys Americas: +1 650 681 4488
Chris Jones: chris_jones@canalys.com +1 650 450 1513
Daniel Matte: daniel_matte@canalys.com +1 650 384 9733
- Canalys APAC: +65 6671 9399 (Singapore) / +86 21 2225 2888 (China)
Jessie Ding: Jessie_Ding@canalys.com +86 13 62177 7745 (China)
Ishan Dutt: Ishan_Dutt@canalys.com +65 8399 0487 (Singapore)
- Canalys EMEA: +44 118 984 0520
Tim Coulling: tim_coulling@canalys.com +44 7900 991 852
Rachel Lashford: rachel_lashford@canalys.com +44 7775 503 940

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Alternatively, you can e-mail press@canalys.com or call +1 650 681 4488 (Palo Alto, California, USA), +65 6671 9399 (Singapore), +86 21 2225 2888 (Shanghai, China) or +44 118 984 0520 (Reading, UK).

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Americas: Suite 317, 855 El Camino Real, Palo Alto, CA 94301, US | tel: +1 650 681 4488
APAC: Room 310, Block A, No 98 Yanping Road, Jingan District, Shanghai 200042, China | tel: +86 21 2225 2888
APAC: 133 Cecil Street, Keck Seng Tower, #13-02/02A, Singapore 069535 | tel: +65 6671 9399
EMEA: Diddenham Court, Lambwood Hill, Grazeley, Reading RG7 1JQ, UK | tel: +44 118 984 0520
e-mail: inquiry@canalys.com | web: www.canalys.com