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MarketLine Industry Profile

Mobile Phones in Spain

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MarketLine

EXECUTIVE SUMMARY

Market value

The Spanish mobile phones market shrank by 5% in 2011 to reach a value of \$2,323.5 million.

Market value forecast

In 2016, the Spanish mobile phones market is forecast to have a value of \$2,309.2 million, a decrease of 0.6% since 2011.

Market volume

The Spanish mobile phones market shrank by 10% in 2011 to reach a volume of 15.9 million units.

Market volume forecast

In 2016, the Spanish mobile phones market is forecast to have a volume of 15.1 million units, a decrease of 5.5% since 2011.

Geography segmentation

Spain accounts for 7.9% of the European mobile phones market value.

Market rivalry

This market is dominated by a small number of large, well-known companies such as Nokia and Apple, intensifying the rivalry as they can marshal greater resources for competition.

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MARKET OVERVIEW

Market definition

The mobile phone market consists of all analog and digital handsets (mobile phone device itself) used for mobile telephony. It does not include other types of handset, such as cordless phones in which a short-range radio link is used to communicate between the handset and a fixed-line base station (the kind you can use to wander around your house while carrying on a phone conversation), or those used for specialized applications such as two-way radio, etc. Market volumes for a given year are defined as the number of shipments to end-users, including both new uptake and renewal purchases. The units in the report represent number of phones delivered to users each year, not the total number of phones in existence. Any currency conversions used in the creation of this profile have been calculated using constant 2011 annual average exchange rates.

For the purposes of this report, Europe consists of Western Europe and Eastern Europe.

Western Europe comprises Belgium, Denmark, France, Germany, Greece, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland, Turkey, and the United Kingdom.

Eastern Europe comprises the Czech Republic, Hungary, Poland, Romania, Russia, and Ukraine.

Market analysis

The Spanish mobile phones market declined marginally over the historical period and is predicted to continue declining over the forecast period, but at a more gradual pace.

The Spanish mobile phones market had total revenues of \$2.3 billion in 2011, representing a compound annual rate of change (CARC) of -0.8% between 2007 and 2011. In comparison, the French market increased with a compound annual growth rate (CAGR) of 4.5%, and the German market declined with a CARC of -1%, over the same period, to reach respective values of \$4.4 billion and \$5.5 billion in 2011.

Market consumption volumes decreased with a CARC of -1.8% between 2007-2011, to reach a total of 15.9 million units in 2011. The market's volume is expected to fall to 15.1 million units by the end of 2016, representing a CARC of -1.1% for the 2011-2016 period.

The performance of the market is forecast to decline further but with a slower pace, with an anticipated CARC of -0.1% for the five-year period 2011 - 2016, which is expected to drive the market to a value of \$2.3 billion by the end of 2016. Comparatively, the French markets will decline with a CARC of -0.5%, and the German market will increase with a CAGR of 4.1%, over the same period, to reach respective values of \$4.3 billion and \$6.7 billion in 2016.

MARKET DATA

Market value

The Spanish mobile phones market shrank by 5% in 2011 to reach a value of \$2,323.5 million.

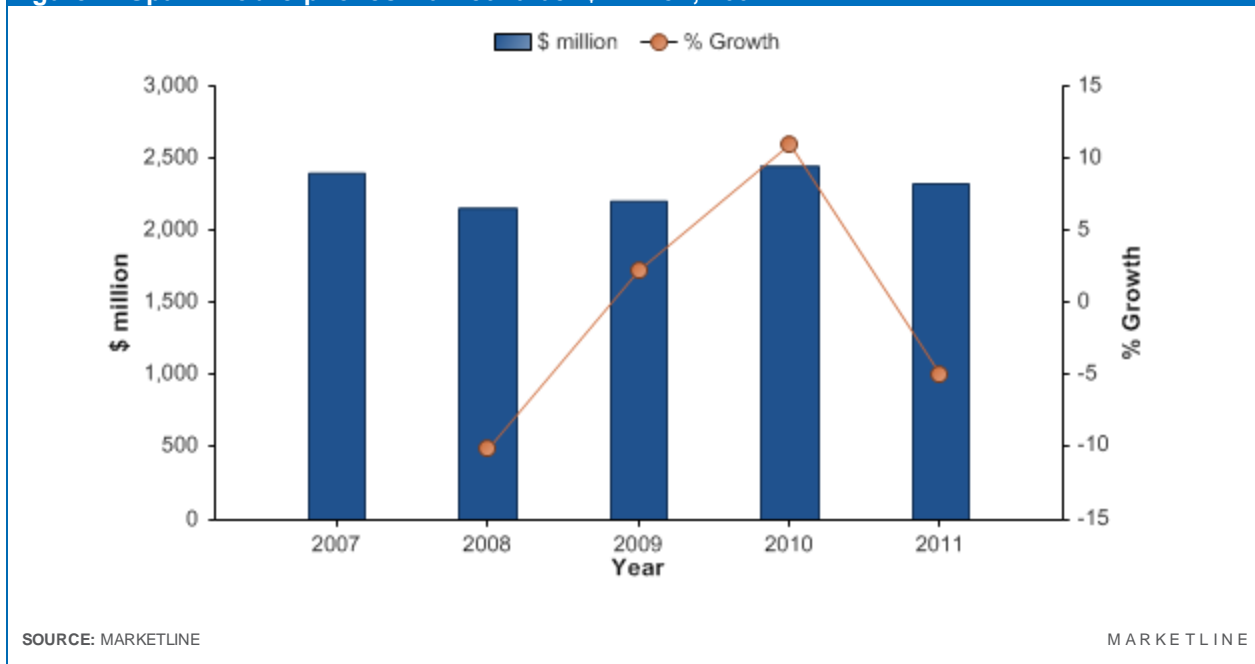
The compound annual rate of change of the market in the period 2007–11 was -0.8%.

Table 1: Spain mobile phones market value: \$ million, 2007–11

Year	\$ million	€ million	% Growth
2007	2,396.8	1,722.8	
2008	2,154.9	1,549.0	(10.1%)
2009	2,203.8	1,584.1	2.3%
2010	2,445.8	1,758.0	11.0%
2011	2,323.5	1,670.1	(5.0%)
CAGR: 2007–11			(0.8%)

SOURCE: MARKETLINE MARKETLINE

Figure 1: Spain mobile phones market value: \$ million, 2007–11



Market volume

The Spanish mobile phones market shrank by 10% in 2011 to reach a volume of 15.9 million units.

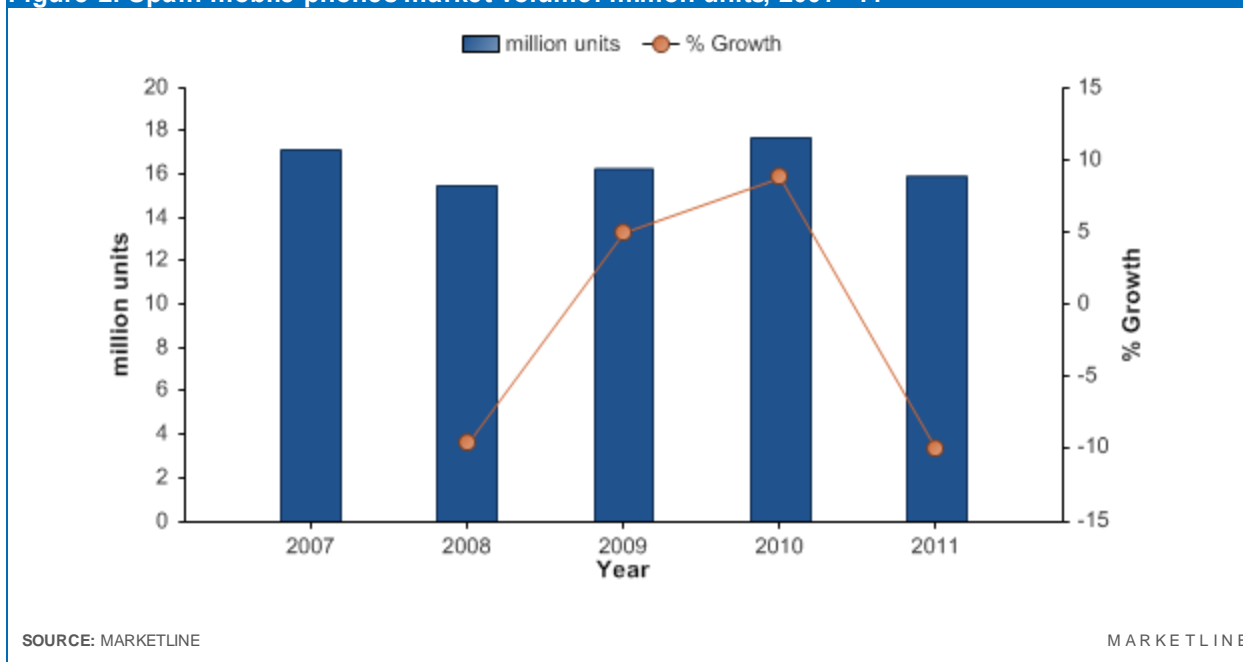
The compound annual rate of change of the market in the period 2007–11 was -1.8%.

Table 2: Spain mobile phones market volume: million units, 2007–11

Year	million units	% Growth
2007	17.1	
2008	15.5	(9.6%)
2009	16.3	5.0%
2010	17.7	8.8%
2011	15.9	(10.0%)
CAGR: 2007–11		(1.8%)

SOURCE: MARKETLINE MARKETLINE

Figure 2: Spain mobile phones market volume: million units, 2007–11



MARKET SEGMENTATION

Geography segmentation

Spain accounts for 7.9% of the European mobile phones market value.

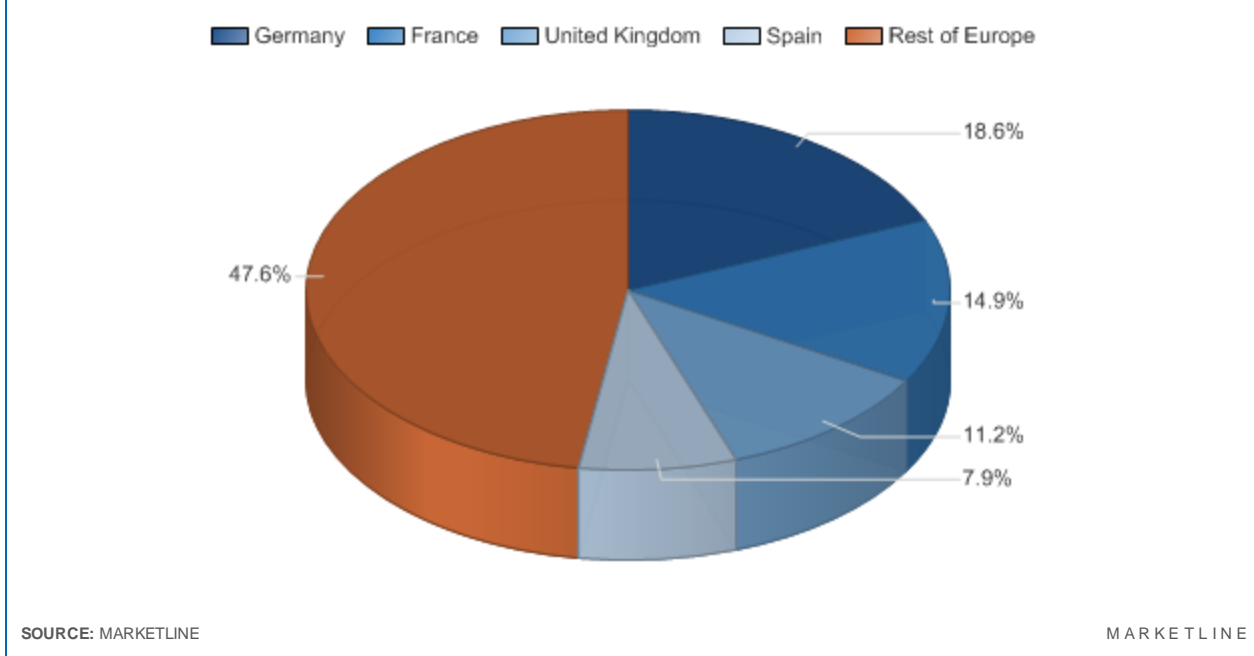
Germany accounts for a further 18.6% of the European market.

Table 3: Spain mobile phones market geography segmentation: \$ million, 2011

Geography	2011	%
Germany	5,491.1	18.6
France	4,390.7	14.9
United Kingdom	3,293.9	11.1
Spain	2,323.5	7.9
Rest of Europe	14,053.7	47.6
Total	29,552.9	100%

SOURCE: MARKETLINE MARKETLINE

Figure 3: Spain mobile phones market geography segmentation: % share, by value, 2011



MARKET OUTLOOK

Market value forecast

In 2016, the Spanish mobile phones market is forecast to have a value of \$2,309.2 million, a decrease of 0.6% since 2011.

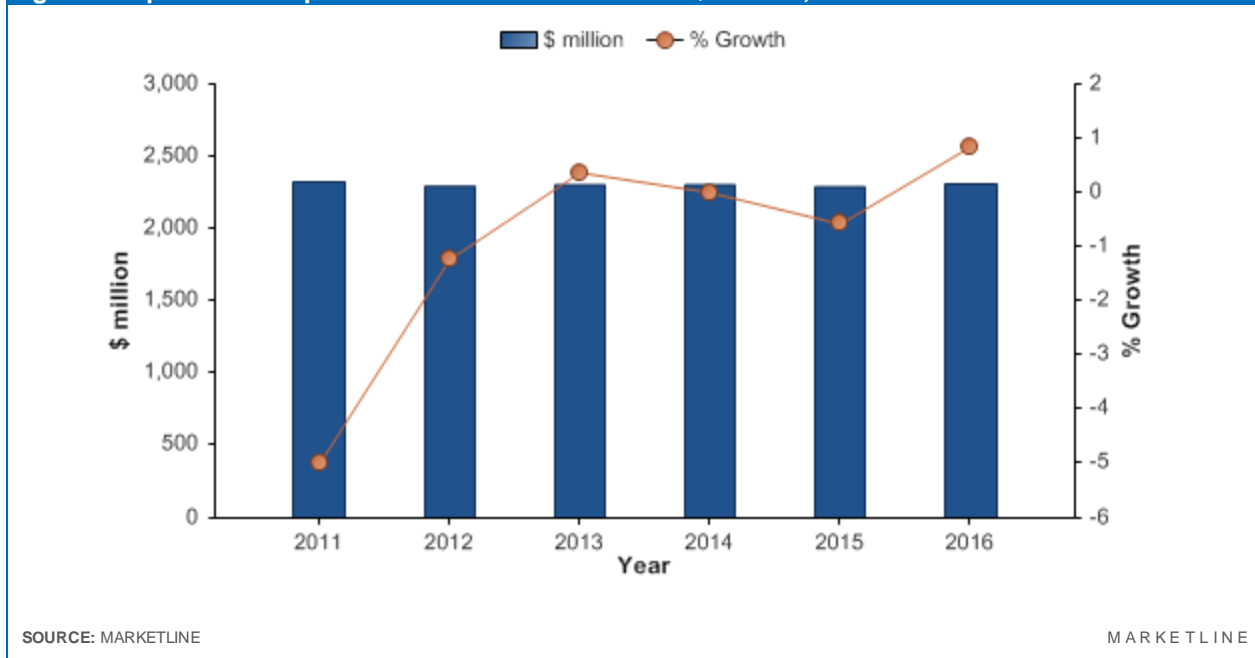
The compound annual rate of change of the market in the period 2011–16 is predicted to be -0.1%.

Table 4: Spain mobile phones market value forecast: \$ million, 2011–16

Year	\$ million	€ million	% Growth
2011	2,323.5	1,670.1	(5.0%)
2012	2,294.9	1,649.5	(1.2%)
2013	2,303.3	1,655.6	0.4%
2014	2,303.3	1,655.6	0.0%
2015	2,289.9	1,646.0	(0.6%)
2016	2,309.2	1,659.9	0.8%
CAGR: 2011–16			(0.1%)

SOURCE: MARKETLINE MARKETLINE

Figure 4: Spain mobile phones market value forecast: \$ million, 2011–16



Market volume forecast

In 2016, the Spanish mobile phones market is forecast to have a volume of 15.1 million units, a decrease of 5.5% since 2011.

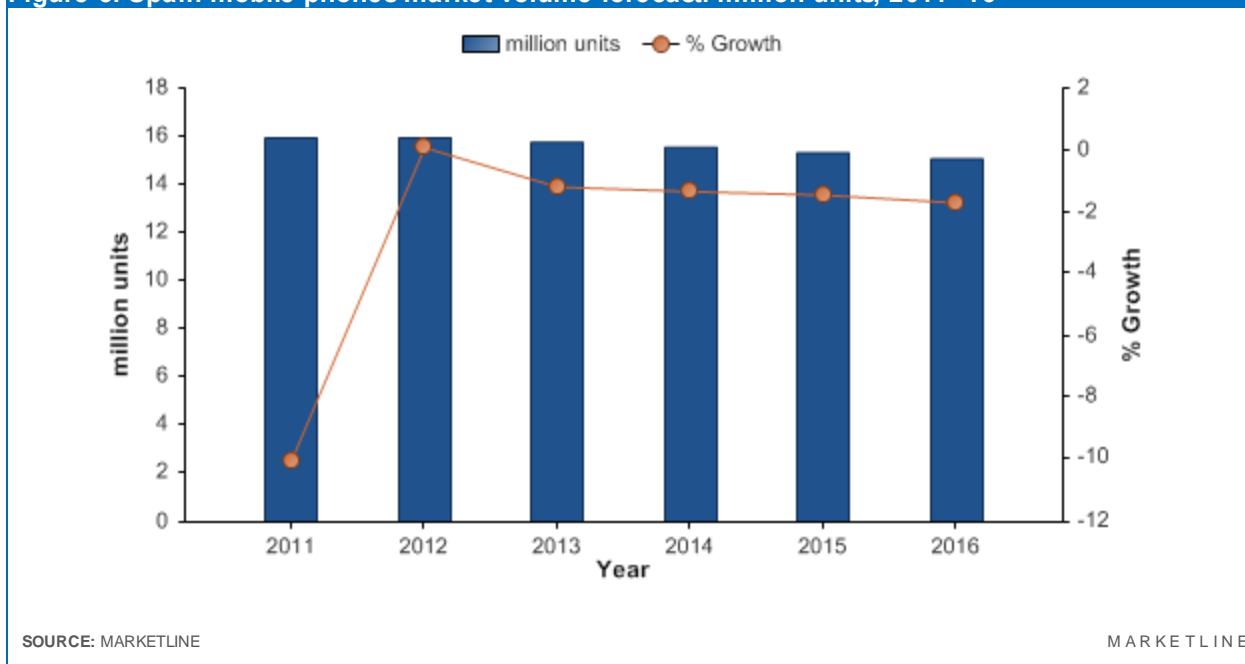
The compound annual rate of change of the market in the period 2011–16 is predicted to be -1.1%.

Table 5: Spain mobile phones market volume forecast: million units, 2011–16

Year	million units	% Growth
2011	15.9	(10.0%)
2012	15.9	0.1%
2013	15.8	(1.2%)
2014	15.5	(1.3%)
2015	15.3	(1.5%)
2016	15.1	(1.7%)
CAGR: 2011–16		(1.1%)

SOURCE: MARKETLINE MARKETLINE

Figure 5: Spain mobile phones market volume forecast: million units, 2011–16

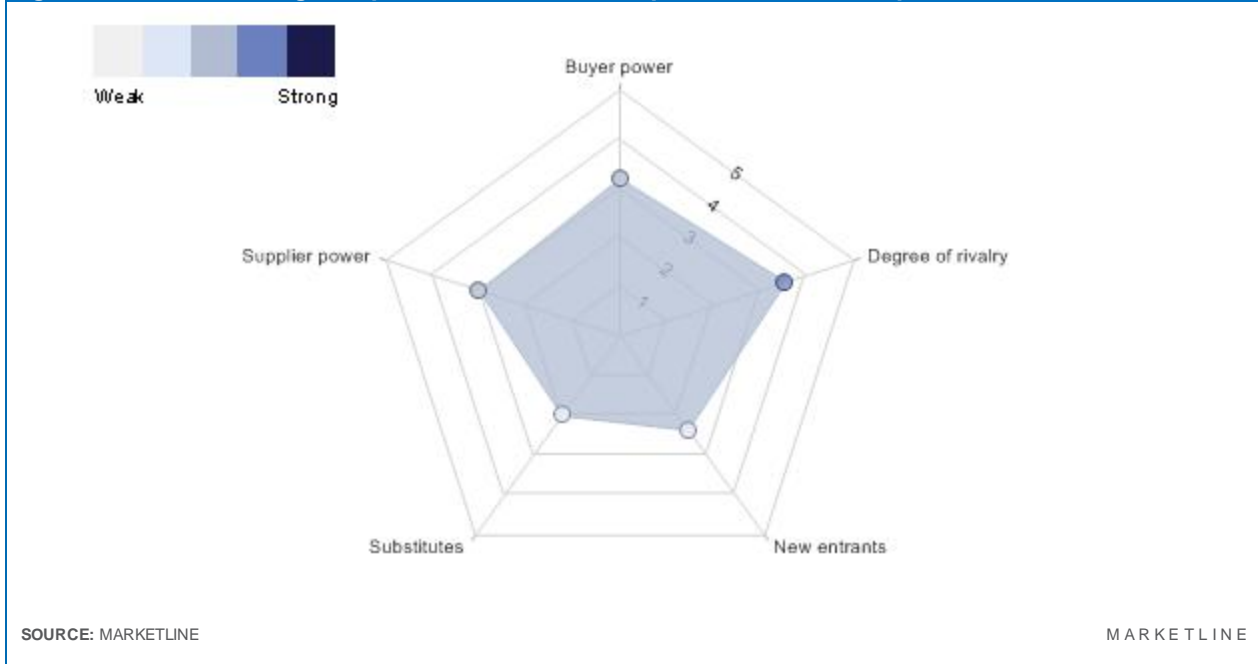


FIVE FORCES ANALYSIS

The mobile phones market will be analyzed taking mobile phone manufacturers as players. The key buyers will be taken as network operators and retailers, and entities providing technology, equipment and parts for mobile telephone manufacture as the key suppliers.

Summary

Figure 6: Forces driving competition in the mobile phones market in Spain, 2011

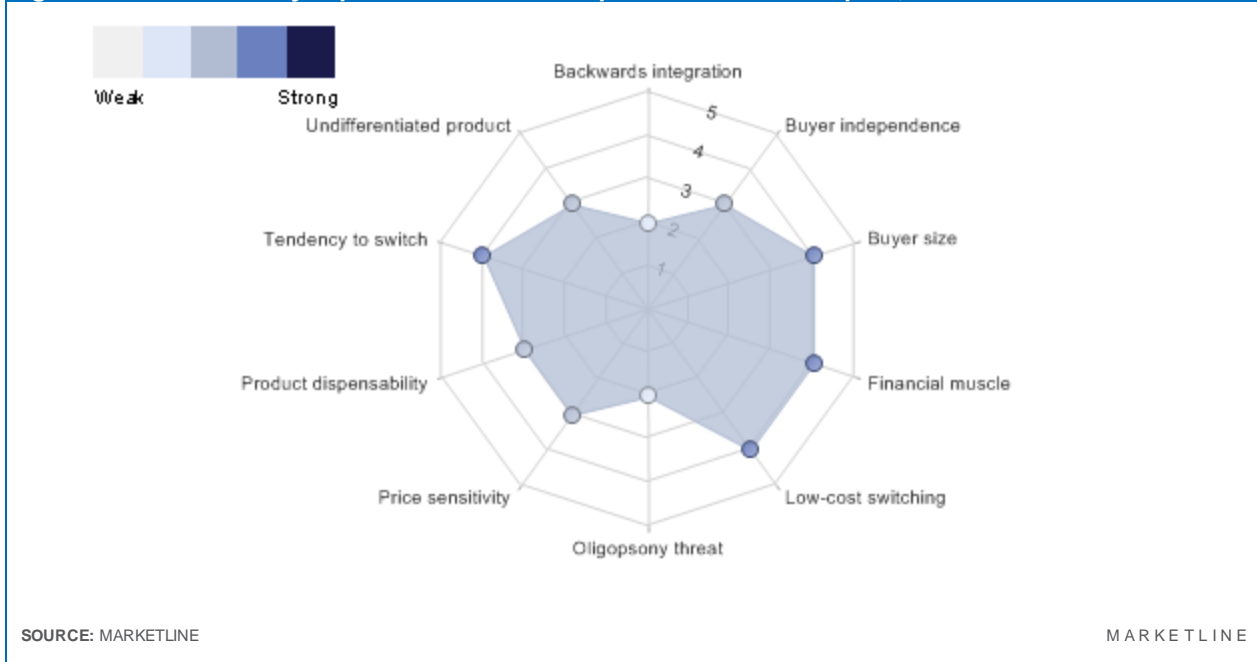


This market is dominated by a small number of large, well-known companies such as Nokia and Apple, intensifying the rivalry as they can marshal greater resources for competition.

Buyers tend to be large, and are therefore able to negotiate favorable contracts, although they will find it necessary to stock the latest handsets to meet end-user demand and therefore are in a weaker position than market players. Suppliers provide technology, equipment and part for mobile phone manufacture. Such technology is often highly specialized, leaving suppliers reliant on this supply, particularly as some parts can be unique to a certain manufacturer. The rise of the smartphone allows for new entrants to exploit a burgeoning position in the market. Poor growth may conspire with high capital outlay, scale economies necessary to compete with incumbents, and strict regulations regarding health and safety and the environment to deter new entrants.

Buyer power

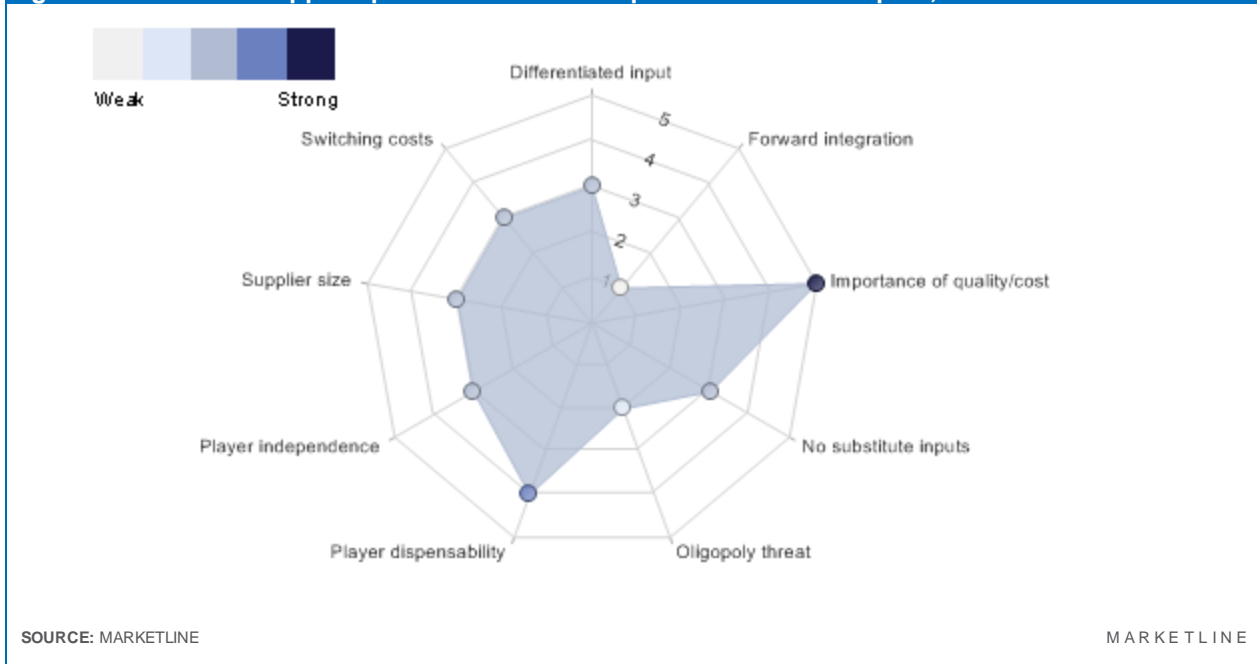
Figure 7: Drivers of buyer power in the mobile phones market in Spain, 2011



This market is made up of two categories of buyers. Firstly, there are retail outlets such as the Carphone Warehouse which purchase handsets to sell on to end-users. The second category of buyers is mobile network operators, with many now conducting their own retail operations. There are a small number of large mobile network operators, strengthening their position when bidding for contracts with market players, although the size of the market players themselves may negate this advantage. However, their position is precarious, as the rise of the smartphone and rapid technological progress mean buyers are required to stock the latest innovative products in order to meet end-user demand. Furthermore, some market players, particularly Apple, are capable of forward integration by conducting their own retail operations, diluting buyer power. Buyers are open to exclusive deals with manufacturers. Overall, buyer power is assessed as moderate.

Supplier power

Figure 8: Drivers of supplier power in the mobile phones market in Spain, 2011

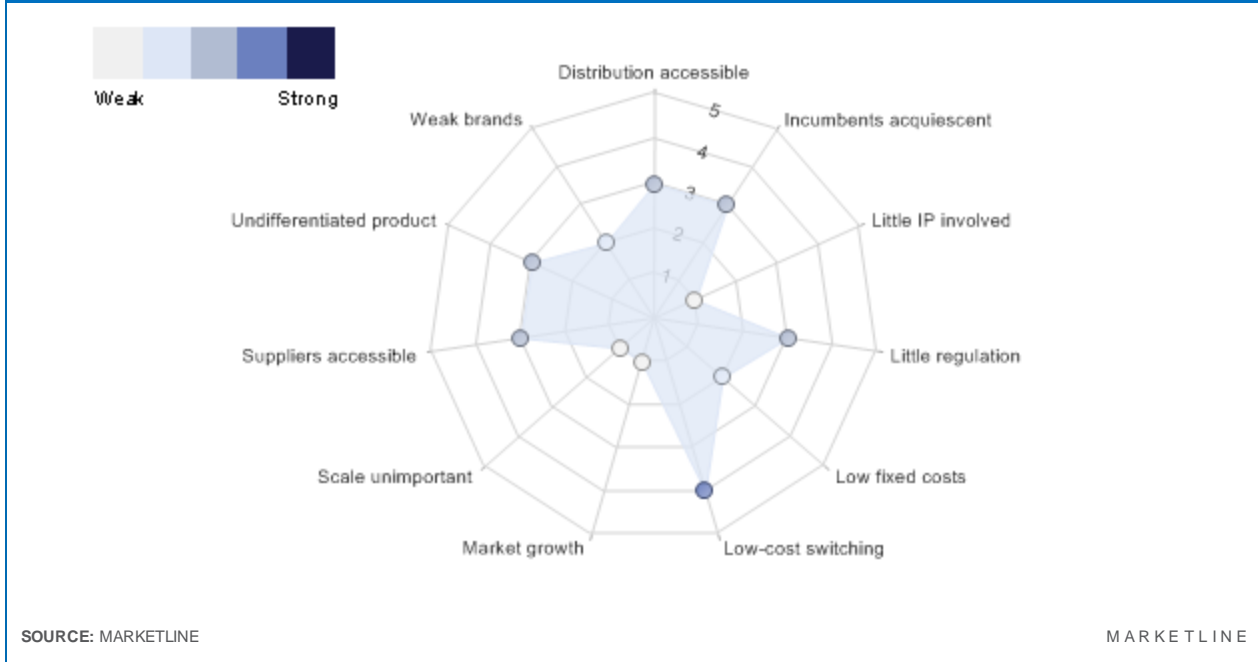


As manufacturers are much larger companies than suppliers, they are able to better influence supply contracts. One example is Nokia, which carries out assessments on its suppliers to make sure they meet certain standards. Market players are heavily reliant on the quality and efficiency of the software and products provided. Moreover, some of the hardware, such as integrated circuits, can be specific to an individual supplier, which augments their position. Manufacturers have to be careful over whom they choose to supply them as unethical suppliers could result in negative connotations with their brand image. Examples include the usage of tantalum purchased from the Congo, which is believed to help fund conflict in the region, or the poor treatment of factory workers in China who manufacture components for Apple.

Revenues to suppliers that are generated from supply to mobile phones are not essential to them, as suppliers provide services to a wide range of industries, particularly in the electronics field. This may also be said for marketing and advertising companies that provide services to the mobile phone market. There has been instability in raw material prices, with the uncertainty generated adversely affecting manufacturers' margins. The trend for smartphones has strengthened supplier power, as more complex components are further rare earths are required in their production. In Western Europe, sales of smartphones have now overtaken feature phones. In the US and Asia-Pacific, growth of smartphone sales has surpassed sales of feature phones. Operating systems such as Windows Phone, BlackBerry OS, Android and iOS (used in Apple products) are essential components for smartphone manufacturers. As entry barriers fall in markets throughout the world it is likely that profitability is likely to flow away from handset manufacturers to manufacturers of key performance enhancing components and modules (both hardware and software). Overall supplier power is assessed as moderate.

New entrants

Figure 9: Factors influencing the likelihood of new entrants in the mobile phones market in Spain, 2011



The increasing popularity of smartphones means several newcomers have successfully entered the market in recent years, with examples including Research in Motion and HTC. Smartphones offer the basic functions of a regular mobile phone, along with, for example, touchscreen, camera phones, GPS navigation, Wi-Fi and mobile broadband access. There is also a market for cheap feature phones still available in developing economies, with features such as dual-SIM preferred to more expensive smartphones with limited coverage. Many of the established mobile phone manufacturers offer their own smartphones, with this section of the market experiencing strong growth that is likely to increase over the next few years. This offers an attractive outlook that may lure potential entrants. It is expected that, just as with the PC industry, as the world of mobile handsets moves towards a higher degree of specialization, the barriers to entry for new entrants will fall.

However, entering the market as a completely new entity would be problematic due to the large incumbents. Capital outlay involving research and development in new technology and production facilities would be costly. There are restrictions in this market, most of which relate to human health and safety and environmental issues. There are stringent laws relating to science-based regulation and the adoption of emission guidance by the International Commission on Non-ionizing Radiation. Furthermore, the effect of the use of mobile phones on health is closely monitored, with studies being conducted on the possible side effects to the electromagnetic radiation produced by mobile phones. Intellectual property rights can also serve as a strong barrier to entry, as the prolonged dispute between Samsung and Apple over patents demonstrates. The patenting of the model forces innovation, although other platforms, such as Windows phones or BlackBerry, have floundered in the market. Poor historical performance in this market will act as a disincentive for potential new entrants. Overall, the threat of new entrants is assessed as weak.

Threat of substitutes

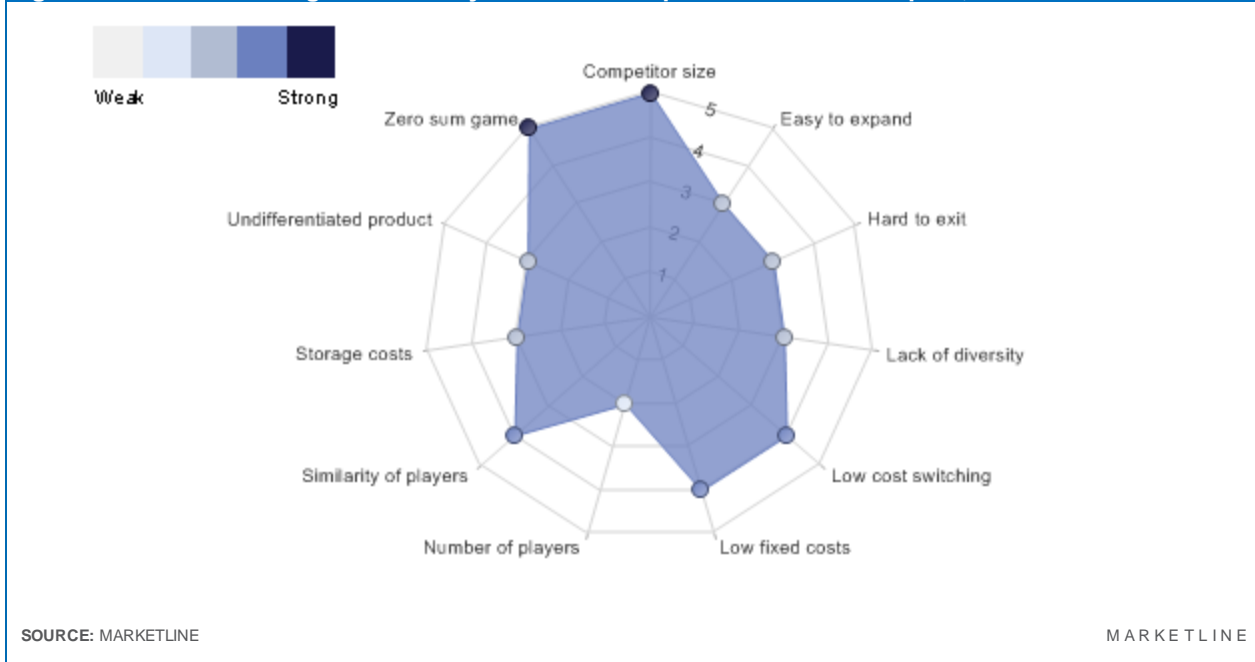
Figure 10: Factors influencing the threat of substitutes in the mobile phones market in Spain, 2011



One possible substitute for mobile phones is fixed line telephones. However, this threat is seen as minimal, as mobile phones offer the advantage of usage in a much wider geographical area - wherever they pick up a signal. What's more, many mobile phones now offer such benefits that they have become substitutes for many other electrical appliances, including laptops, televisions, MP3 players and cameras. Whilst laptops also offer many of the features that mobile phones are marketed on, such as internet access, video calling through programs such as Skype, email, TV, GPS, music and portability, they are not a strong substitute, as they also do not possess many of the benefits of a mobile phone, such as size, weight and the ability to call others. Overall, the threat of substitutes is assessed as weak.

Degree of rivalry

Figure 11: Drivers of degree of rivalry in the mobile phones market in Spain, 2011



This market is dominated by a small number of large, well-known companies such as Nokia and Samsung, intensifying the rivalry as they can marshal greater resources for competition. The introduction of smartphones has added another competitive dimension, with Apple and those using the Android operating system (including HTC, LG, Samsung and Sony Ericsson) benefitting. Simultaneously, some of the most established mobile phone manufacturers have experienced an adverse effect: Motorola fell from third to seventh in terms of phone distribution worldwide. Nokia has also been adversely affected by the smart phone, and is in jeopardy of losing its premier position in the market to Samsung.

Also present in this market, however, is a second tier of small manufacturers with phones that are targeted towards niche markets or produced for specific regions. For example, Finnish mobile company GeoSentric has attempted to capture a niche market in GPS telematics. Market penetration is high with western countries possessing some of the highest mobile subscription rates globally. Fixed costs within this market are high and there is a need to continually invest in new technologies. Some leading companies like LG Electronics have diversified operations and manufacture a range of consumer electronics, such as plasma TVs and home appliances. This reduces exit barriers to some extent. Mobile network operators offering mobile phones under their own brand pressurize mobile phone manufacturers to sustain a strong brand image and produce innovative products which increase competition in the market. Rivalry may further deteriorate given the Eurozone sovereign debt crisis - users may postpone upgrading their terminals in favor of SIM only deals or prolonging their current phone to save costs. Overall rivalry is assessed as strong.

LEADING COMPANIES

Apple Inc

Table 6: Apple Inc: key facts

Head office:	1 Infinite Loop, Cupertino, California 95014, USA
Telephone:	1 408 996 1010
Fax:	1 408 974 2113
Website:	www.apple.com
Financial year-end:	September
Ticker:	AAPL
Stock exchange:	NASDAQ

SOURCE: COMPANY WEBSITE **MARKETLINE**

Apple offers a portfolio of products comprising Macintosh (Mac) computing systems, iPods line of portable digital music and video players, iPhone handsets and iPad portable multimedia and computing devices.

The company designs, manufactures, and markets a range of personal computers, mobile communication, and media devices, and portable digital music players. Apple also sells a variety of related software, services, peripherals, networking solutions, and third-party digital content and applications. In addition, the company sells a variety of third-party compatible products, including application software, printers, storage devices, speakers, headphones, and various other accessories and peripherals. Apple sells its products worldwide through its retail stores, online stores, and direct sales force and third-party cellular network carriers, wholesalers, retailers, and value-added resellers.

The company's operations span across nine product lines which include: iPhone and related products and services, iPad and related products and services, portables, iPod, desktops, other music related products and services, software, service and other net sales, and peripherals and other hardware.

iPhone and related products and services includes iPhone sales, carrier agreements, services, and Apple-branded and third-party iPhone accessories. iPhone handset unit sales totaled 72.3 million in FY2011. As of September 24, 2011, Apple distributed iPhone in 105 countries through 228 carriers.

iPad and related products and services includes iPad sales, services and Apple-branded and third-party iPad accessories.

Portables and desktop product lines encompass Apple's Mac hardware product lines. Desktops include iMac, Mac mini, Mac Pro and Xserve product lines.

iPod line of portable digital music and media players includes iPod touch, iPod nano, iPod shuffle and iPod classic. All iPods work with iTunes. Apple also offers its own iPod accessories, third-party iPod compatible accessories through the company's online and retail stores or from third parties.

Other music related products and services include sales from the iTunes Store, App Store, and iBookstore in addition to sales of iPod services and Apple-branded and third-party iPod accessories. The iTunes Store includes the App Store and iBookstore.

Software, service and other net sales includes sales from the Mac App Store in addition to sales of other Apple-branded and third-party Mac software and Mac and internet services

Peripherals and other hardware includes sales of displays, wireless connectivity and networking solutions, and other hardware accessories. Apple manufactures the Apple LED Cinema Display and Thunderbolt Display. The company also offers a variety of Apple-branded and third-party Mac-compatible and iOS-compatible peripheral products, including printers, storage devices, computer memory, digital video and still cameras, and various other computing products and supplies.

The company offers the products across five operating segments: Japan, Americas, Europe, Asia Pacific and retail. Each operating segment provides similar hardware and software products and similar services.

The Americas segment includes both North and South America. The Europe segment includes European countries as well as the Middle East and Africa. The Asia-Pacific segment includes Australia and Asia, but does not include Japan. The retail segment operates Apple retail stores in 11 countries, including the US. Apple operated 357 stores comprising of 245 retail stores in the US and 112 international retail stores, by the end of FY2011.

The company also offers iCloud, its new cloud service, which stores data and wirelessly transfers them to multiple iOS devices, Macs and Windows-based computers. Furthermore, the company also offers Apple TV, where content from iTunes, Netflix, YouTube, and Flickr as well as music, photos, videos, and podcasts from a Mac or Windows-based computer can be wirelessly streamed to a television. Apple offers product support and services through AppleCare.

Key Metrics

The company recorded revenues of \$108,249 million in the fiscal year ending September 2011, an increase of 66.0% compared to fiscal 2010. Its net income was \$25,922 million in fiscal 2011, compared to a net income of \$14,013 million in the preceding year.

Table 7: Apple Inc: key financials (\$)

\$ million	2007	2008	2009	2010	2011
Revenues	24,578.0	37,491.0	42,905.0	65,225.0	108,249.0
Net income (loss)	3,495.0	6,119.0	8,235.0	14,013.0	25,922.0
Total assets	24,878.0	36,171.0	47,501.0	75,183.0	116,371.0
Total liabilities	10,347.0	13,874.0	15,861.0	27,392.0	39,756.0
Employees	21,600	32,000	36,800	46,600	60,400

SOURCE: COMPANY FILINGS MARKETLINE

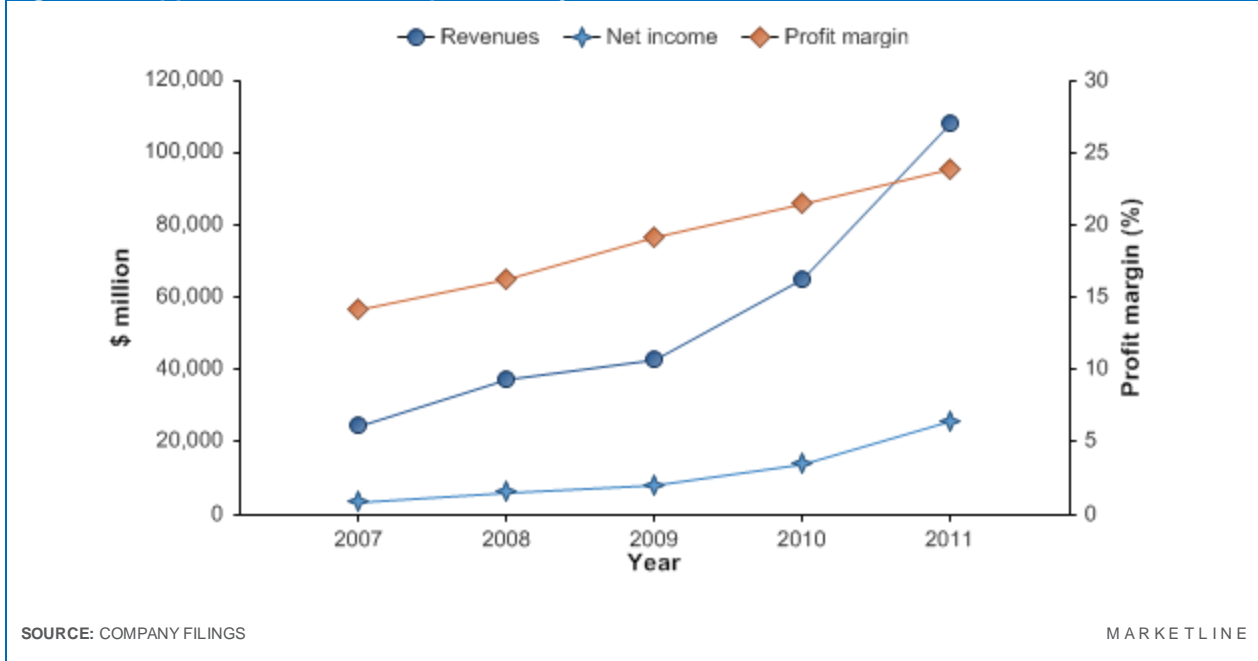
Table 8: Apple Inc: key financial ratios

Ratio	2007	2008	2009	2010	2011
Profit margin	14.2%	16.3%	19.2%	21.5%	23.9%
Revenue growth	27.2%	52.5%	14.4%	52.0%	66.0%
Asset growth	44.6%	45.4%	31.3%	58.3%	54.8%
Liabilities growth	43.3%	34.1%	14.3%	72.7%	45.1%
Debt/asset ratio	41.6%	38.4%	33.4%	36.4%	34.2%
Return on assets	16.6%	20.0%	19.7%	22.8%	27.1%
Revenue per employee	\$1,137,870	\$1,171,594	\$1,165,897	\$1,399,678	\$1,792,202
Profit per employee	\$161,806	\$191,219	\$223,777	\$300,708	\$429,172

SOURCE: COMPANY FILINGS

MARKETLINE

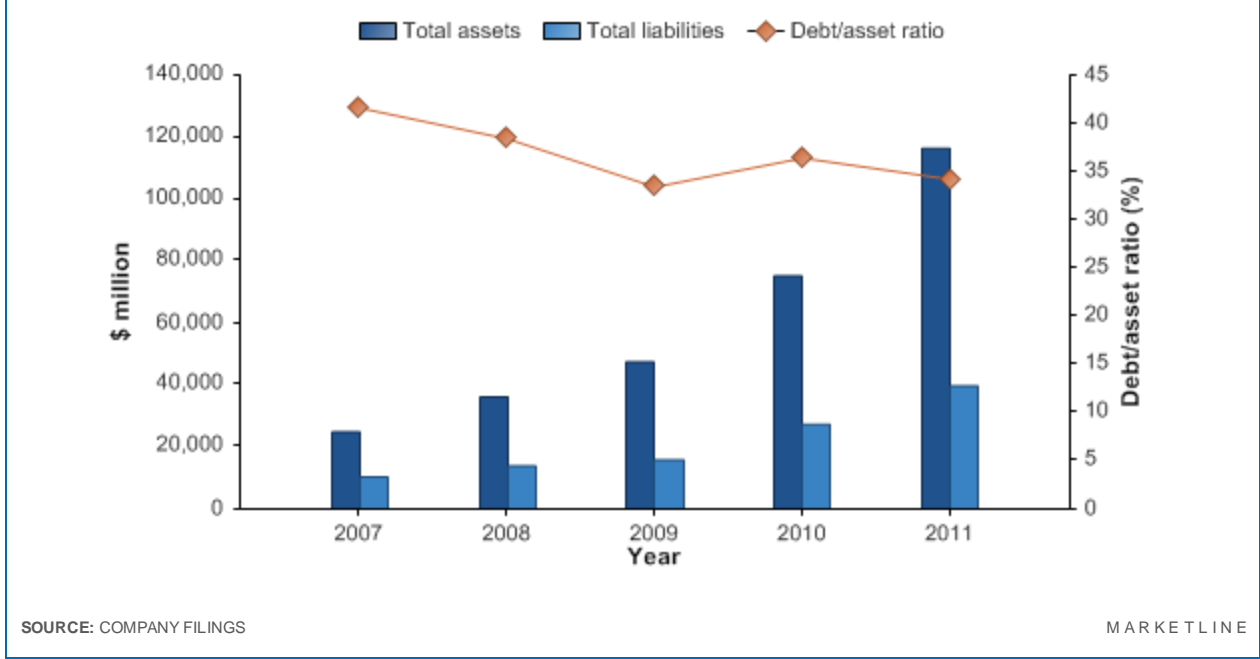
Figure 12: Apple Inc: revenues & profitability



SOURCE: COMPANY FILINGS

MARKETLINE

Figure 13: Apple Inc: assets & liabilities



LG Electronics, Inc.

Table 9: LG Electronics, Inc.: key facts

Head office:	LG Twin Towers 20, Yeouido-dong, Yeongdeungpo-gu, Seoul 150 721, KOR
Telephone:	82 2 3777 1114
Fax:	82 2 3777 3428
Local office:	Calle de Chile, (CR N VI KM24.800), 1, 28290, Las Rozas, Madrid ESP
Telephone:	34 912 11 22 00
Website:	www.lge.com
Financial year-end:	December
Ticker:	66570
Stock exchange:	Korea
SOURCE: COMPANY WEBSITE	
MARKETLINE	

LG Electronics is one of the global leaders in consumer electronics, home appliances and mobile communications. Its production network is spread across North America, South and Central America, Middle East, Africa, and Asia-Pacific.

The company operates under four segments: home entertainment, mobile communications, home appliance, and air conditioning and energy solutions.

The home entertainment segment operates through the subsidiary LG Home Entertainment Company. This segment offers wide range of products such as liquid crystal display (LCDs) TVs, plasma TVs, pen touch TV, LED monitor, TV upgrader, home theater system, LED projector, commercial display and hospitality TV, and security camera.

The mobile communication segment operates through the subsidiary LG Electronics Mobile Communications Company. The subsidiary offers a range of cell phones and laptops across the globe.

The home appliance segment operates through the subsidiary LG Home Appliance Company. This segment's product offerings include washing machines, dish washers, refrigerators, vacuum cleaner, cooking appliance, built-in appliances, water purifiers and air purifiers.

The air conditioning segment operates through the subsidiary LG AE. The segment provides both residential air cooling and commercial air conditioning solutions. Besides, it also operates in the solar energy and green lighting solutions sector. Some of its key products are: air conditioners, solar energy and lighting. The segment also includes three major solution-oriented businesses: home management systems, building management systems, and hotel solutions.

Key Metrics

The company recorded revenues of \$49,069 million in the fiscal year ending December 2011, a decrease of 2.7% compared to fiscal 2010. Its net loss was \$425 million in fiscal 2011, compared to a net income of \$1,160 million in the preceding year.

Table 10: LG Electronics, Inc.: key financials (\$)

\$ million	2007	2008	2009	2010	2011
Revenues	48,318.1	57,229.5	27,595.7	50,422.6	49,068.6
Net income (loss)	1,870.9	1,030.0	1,856.5	1,159.5	(424.7)
Total assets	31,277.5	38,320.7	40,477.1	29,228.2	29,535.7
Total liabilities	19,676.1	24,942.6	17,806.6	17,599.1	17,644.6
Employees	80,283	84,445	82,136	93,000	91,457

SOURCE: COMPANY FILINGS MARKETLINE

Table 11: LG Electronics, Inc.: key financials (KRW)

KRW million	2007	2008	2009	2010	2011
Revenues	53,426,741.0	63,280,391.0	30,513,436.0	55,753,804.0	54,256,585.0
Net income (loss)	2,068,698.0	1,138,872.0	2,052,835.0	1,282,119.0	(469,624.0)
Total assets	34,584,427.0	42,372,298.0	44,756,799.0	32,318,499.0	32,658,457.0
Total liabilities	21,756,473.0	27,579,726.0	19,689,266.0	19,459,862.0	19,510,209.0

SOURCE: COMPANY FILINGS MARKETLINE

Table 12: LG Electronics, Inc.: key financial ratios

Ratio	2007	2008	2009	2010	2011
Profit margin	3.9%	1.8%	6.7%	2.3%	(0.9%)
Revenue growth	15.3%	18.4%	(51.8%)	82.7%	(2.7%)
Asset growth	3.7%	22.5%	5.6%	(27.8%)	1.1%
Liabilities growth	(4.0%)	26.8%	(28.6%)	(1.2%)	0.3%
Debt/asset ratio	62.9%	65.1%	44.0%	60.2%	59.7%
Return on assets	6.1%	3.0%	4.7%	3.3%	(1.4%)
Revenue per employee	\$601,847	\$677,713	\$335,976	\$542,179	\$536,521
Profit per employee	\$23,304	\$12,197	\$22,603	\$12,468	(\$4,644)

SOURCE: COMPANY FILINGS MARKETLINE

Figure 14: LG Electronics, Inc.: revenues & profitability

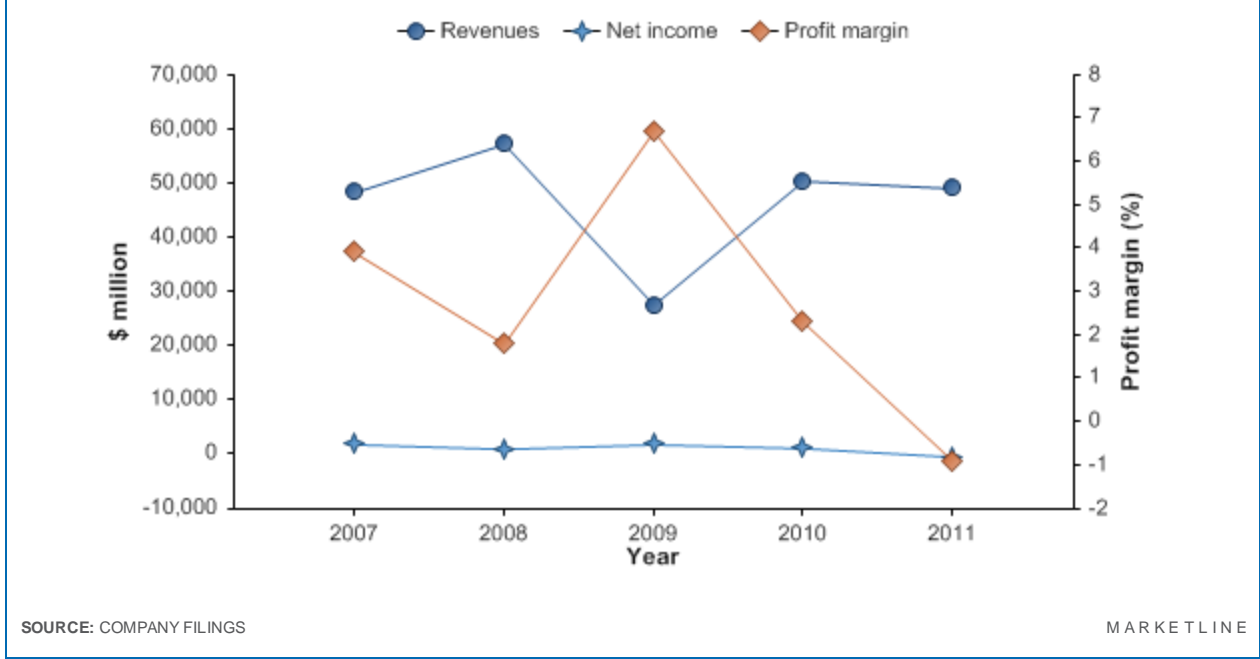
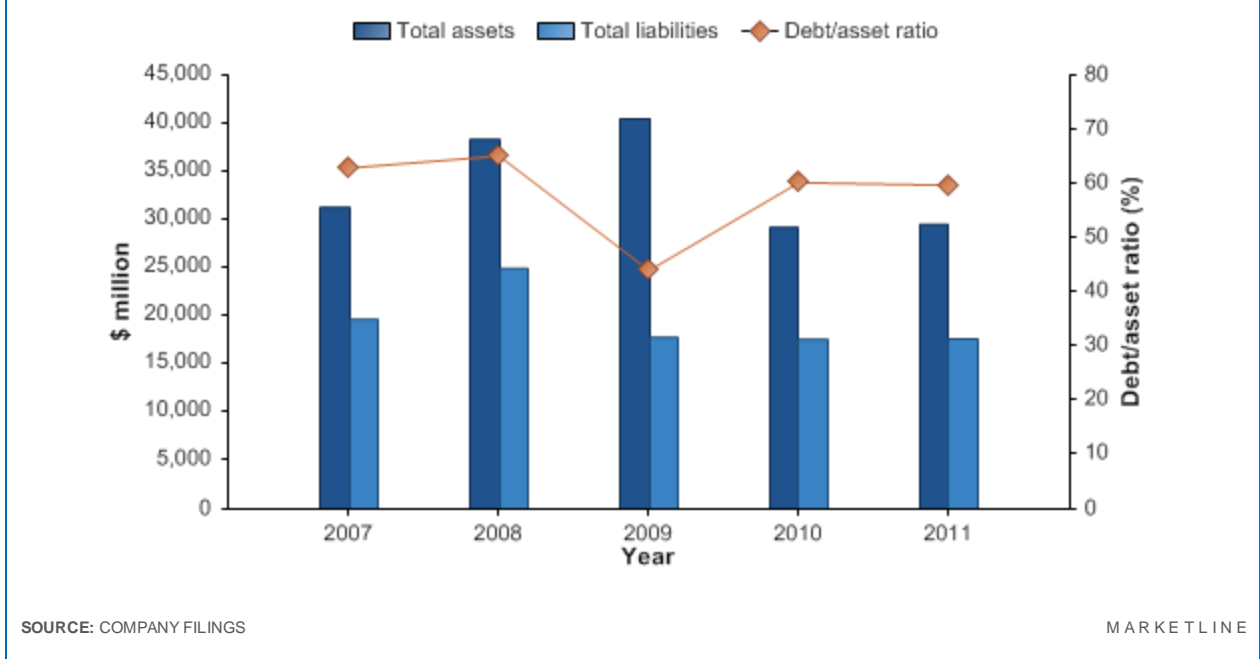


Figure 15: LG Electronics, Inc.: assets & liabilities



Nokia Corporation

Table 13: Nokia Corporation: key facts

Head office:	Keilalahdentie 2-4 , FIN-00045 Espoo , FIN
Telephone:	358 7180 08000
Fax:	358 7180 34003
Local office:	Camino Cerro de los Gamos , 1 Edificio 3, 28224 Madrid, ESP
Telephone:	34 912 119 300
Fax:	34 912 113 894
Website:	www.nokia.com
Financial year-end:	December
Ticker:	NOK, NOA3, NOK1V
Stock exchange:	New York, Frankfurt, Helsinki
SOURCE: COMPANY WEBSITE	
MARKETLINE	

Nokia is one of the leading manufacturers of mobile devices and network equipment. The company operates across the Asia Pacific, Europe, Latin America and North America.

Nokia operates through three businesses: devices and services; Nokia Siemens Networks (NSN); and location and commerce.

Devices and services business is engaged in developing and managing Nokia's portfolio of mobile products. The business is also engaged in designing and developing services, including applications and content. During FY2011, Nokia shipped 417.1 million mobile phones, including 118.9 million units in Asia Pacific; 94.6 million units in Middle East and Africa; 87.8 million units in Europe; 65.8 million units in Greater China; 46.1 million units in Latin America; and 3.9 million units in North America. Devices and services business is divided into two business units: smart devices and mobile phones.

The company's smart devices business unit is engaged in development and manufacture of smartphones and smart devices. During FY2011, Nokia shipped approximately 77.3 million smartphones. In addition to Nokia-branded feature phones and smartphones, the company also manufactures and sells luxury mobile devices under the Vertu brand. Vertu has more than 450 points of sale globally in close to 50 countries worldwide. Nokia's mobile phones business unit focuses on the area of mass market feature phones and related services and applications. The business unit is engaged in the development, management and marketing of feature phone products, services and applications. During 2011, the company shipped approximately 339.8 million feature phones.

The company also offers applications and content for its Symbian, MeeGo and Series 40 mobile devices at Nokia Store. In March 2012, the store offered more than 100,000 applications and attracted more than 13 million downloads a day. In addition, the Microsoft-run Windows Marketplace offers applications for Nokia's Lumia smartphones.

NSN is a provider of telecommunications infrastructure hardware, software, and services. The business provides a portfolio of mobile, fixed, and converged network technology, as well as professional services including managed services, consultancy and systems integration, deployment and maintenance. NSN offers a broad portfolio of products and services designed to address evolving needs of network operators from Global System for Mobile communication (GSM) to Long Term Evolution (LTE) wireless standards. It has a base of more than 600 customers in over 150 countries serving over 2.5 billion subscribers.

NSN is jointly owned by Nokia and Siemens and consolidated by Nokia, combined Nokia's networks business and Siemens' carrier-related operations for fixed and mobile networks. Its global customer base includes network operators such as Bharti Airtel, China Mobile, Deutsche Telekom, France Telecom, Softbank, Telefonica O2, Verizon and Vodafone. NSN operates through three business units: network systems, global services, and business solutions.

The network systems business unit of NSN offers communication service providers both fixed and mobile network infrastructure. It develops and manufactures GSM/EDGE and WCDMA/HSPA radio access networks for network operators. It also develops products such as I-HSPA and new technologies such as LTE to support the uptake of mobile data services and to introduce simplified network architecture for wireless and mobile broadband applications. The network systems business unit's main products include base stations, base station controllers and related software. In addition, it also provides a portfolio for wireline connectivity, including digital subscriber line access multiplexers and narrowband/multi-service equipment.

The global services business unit of NSN offers network operators a range of professional services, including network planning and optimization; the management of network operations; the care and maintenance of software and hardware; and range of network implementation and energy-efficient solutions, as well as consulting and systems integration capabilities.

The location and commerce business of Nokia develops a range of location-based products and services for consumers, as well as platform services and local commerce services for device manufacturers, application developers, Internet services providers, merchants, and advertisers. The business was formed during 2011 by combining NAVTEQ and Nokia's devices and services social location services operations. The business offers comprehensive digital map information and related location-based content and services for mobile navigation devices; automotive navigation systems; Internet-based mapping applications; and government and business solutions.

Nokia's location-based applications include Nokia Maps, Nokia Drive, Nokia Public Transport, Nokia Pulse, Nokia City Lens, and Nokia Maps HTML5. It also offers maps.nokia.com, a mapping offering on the web.

Key Metrics

The company recorded revenues of \$53,783 million in the fiscal year ending December 2011, a decrease of 8.9% compared to fiscal 2010. Its net loss was \$1,619 million in fiscal 2011, compared to a net income of \$2,575 million in the preceding year.

Table 14: Nokia Corporation: key financials (\$)

\$ million	2007	2008	2009	2010	2011
Revenues	71,032.3	70,548.1	57,017.3	59,051.2	53,782.7
Net income (loss)	10,023.7	5,548.1	1,239.6	2,575.1	(1,619.4)
Total assets	52,252.4	55,066.8	49,719.0	54,428.2	50,368.7
Total liabilities	28,131.6	32,097.9	29,200.1	34,417.1	31,008.6
Employees	112,262	121,723	123,171	132,427	130,050

SOURCE: COMPANY FILINGS MARKETLINE

Table 15: Nokia Corporation: key financials (€)

€ million	2007	2008	2009	2010	2011
Revenues	51,058.0	50,710.0	40,984.0	42,446.0	38,659.0
Net income (loss)	7,205.0	3,988.0	891.0	1,851.0	(1,164.0)
Total assets	37,559.0	39,582.0	35,738.0	39,123.0	36,205.0
Total liabilities	20,221.0	23,072.0	20,989.0	24,739.0	22,289.0

SOURCE: COMPANY FILINGS MARKETLINE

Table 16: Nokia Corporation: key financial ratios

Ratio	2007	2008	2009	2010	2011
Profit margin	14.1%	7.9%	2.2%	4.4%	(3.0%)
Revenue growth	24.2%	(0.7%)	(19.2%)	3.6%	(8.9%)
Asset growth	66.1%	5.4%	(9.7%)	9.5%	(7.5%)
Liabilities growth	29.7%	14.1%	(9.0%)	17.9%	(9.9%)
Debt/asset ratio	53.8%	58.3%	58.7%	63.2%	61.6%
Return on assets	23.9%	10.3%	2.4%	4.9%	(3.1%)
Revenue per employee	\$632,737	\$579,579	\$462,911	\$445,915	\$413,554
Profit per employee	\$89,288	\$45,580	\$10,064	\$19,446	(\$12,452)

SOURCE: COMPANY FILINGS MARKETLINE

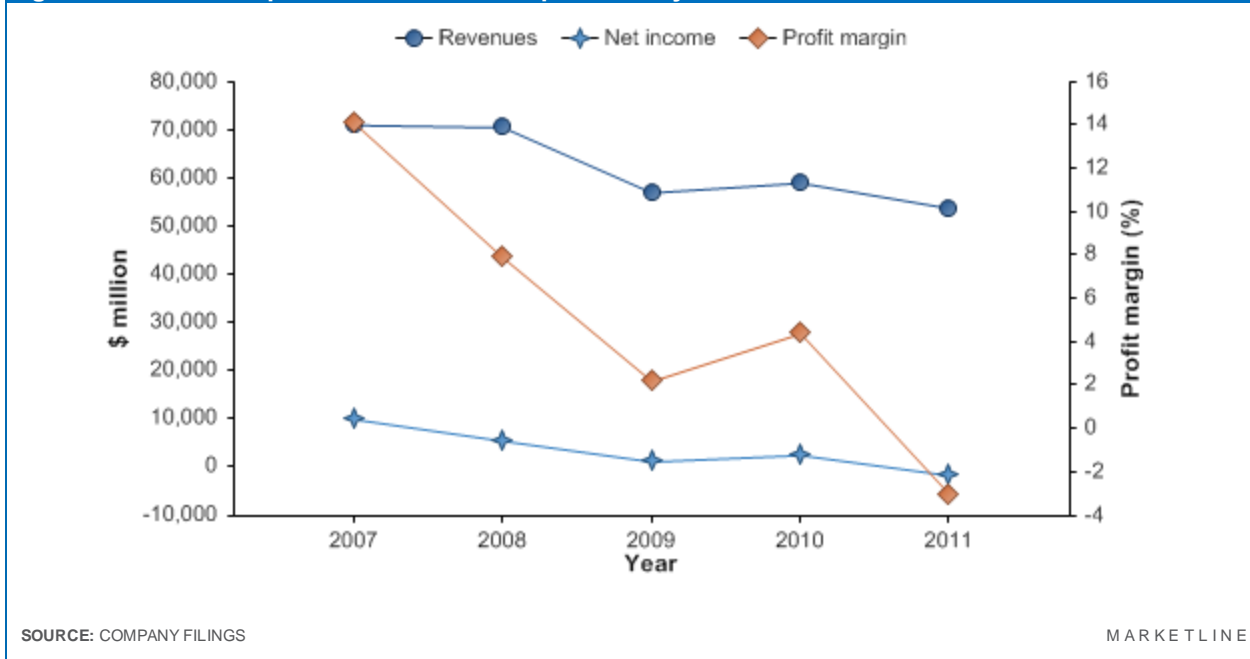
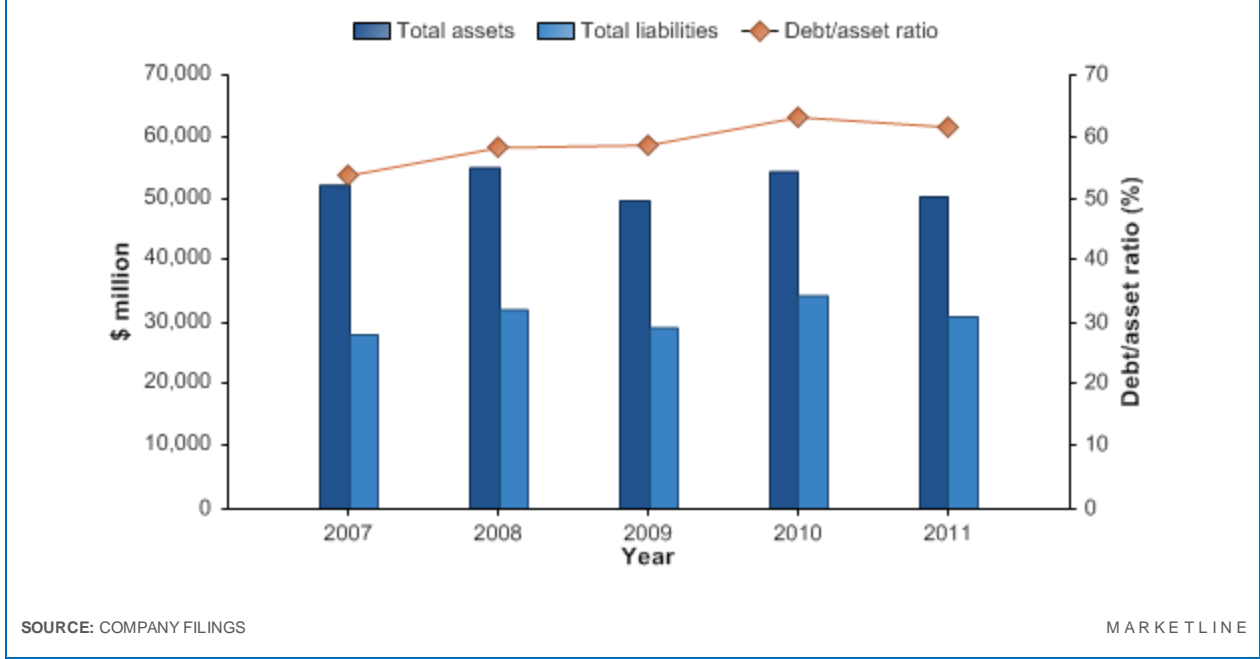
Figure 16: Nokia Corporation: revenues & profitability

Figure 17: Nokia Corporation: assets & liabilities



Samsung Electronics Co., Ltd.

Table 17: Samsung Electronics Co., Ltd.: key facts

Head office:	Samsung Electronics Building, 1320-10, Seocho 2-dong, Seocho-gu, Seoul 137 857, KOR
Telephone:	82 2 2255 0114
Fax:	82 2 2255 0117
Local office:	Carretera De Barajas (Pq. Empresarial Omega, Edif. C) 32, Alcobendas, Madrid, 28108, ESP
Telephone:	34 9 1714 3600
Fax:	34 9 3261 6756
Website:	www.samsungelectronics.com
Financial year-end:	December
Ticker:	5930
Stock exchange:	Korea
SOURCE: COMPANY WEBSITE	
MARKETLINE	

Samsung Electronics is engaged in the manufacture and distribution of consumer electronics, communication products, semiconductor products, and home appliances. The company, a part of the Samsung group, operates through a number of subsidiaries.

The company operates through three business segments: digital media and communications, device solutions, and others.

The digital media and communications segment is composed of digital media and telecommunications reporting segments.

The digital media business segment produces a wide range of products including digital TVs, monitors, audio-visual devices, and printers. This segment also provides digital home appliances like refrigerators, air conditioners, washers, ovens, vacuum cleaners, and other appliances.

The telecommunications segment offers a wide range of mobile phones, telecommunications standards and related mobile products and solutions. This segment is primarily engaged in the manufacture of mobile phones, key phones, network systems, MP3 players, digital set top boxes, computers, and other telecommunication systems.

The device solutions segment is composed of semiconductor and liquid-crystal display (LCD) reporting segments.

The semiconductor business segment consists of three major divisions: memory, system LSI and storage technologies. The memory division designs and manufactures integrated circuits for storing digital information. The system LSI division is a leading designer and manufacturer of application specific devices, micro components, logic integrated circuits (ICs), analog ICs and image sensors. The division concentrates on three major market areas: mobile solutions, home and media solutions, and Application-specific integrated circuit and foundry services. The storage technologies division designs and manufactures hard drives aimed at both the personal computing industry and the mobile environment.

The LCD segment offers thin film transistor (TFT) LCD modules among others. This segment produces panels for TVs, digital information displays, notebook PCs and desktop monitors, as well as various display panels for mobile products.

The others segment of the company primarily represent corporate headquarters, institute of technology, and other similar operations.

Samsung Electronics merged with Samsung Digital Imaging, an affiliated company of Samsung Group which produces digital cameras and imaging technology, in 2010.

Key Metrics

The company recorded revenues of \$149,224 million in the fiscal year ending December 2011, an increase of 6.7% compared to fiscal 2010. Its net income was \$12,421 million in fiscal 2011, compared to a net income of \$14,603 million in the preceding year.

Table 18: Samsung Electronics Co., Ltd.: key financials (\$)

\$ million	2007	2008	2009	2010	2011
Revenues	89,088.5	109,696.1	123,288.7	139,844.3	149,224.5
Net income (loss)	6,711.0	4,997.5	8,827.7	14,603.0	12,420.8
Total assets	84,446.6	95,231.8	101,453.3	121,448.3	140,749.6
Total liabilities	33,826.7	38,324.6	35,392.9	40,642.8	48,643.0

SOURCE: COMPANY FILINGS MARKETLINE

Table 19: Samsung Electronics Co., Ltd.: key financials (KRW)

KRW million	2007	2008	2009	2010	2011
Revenues	98,507,817.0	121,294,319.0	136,324,000.0	154,630,000.0	165,002,000.0
Net income (loss)	7,420,579.0	5,525,904.0	9,761,000.0	16,147,000.0	13,734,000.0
Total assets	93,375,136.0	105,300,650.0	112,180,000.0	134,289,000.0	155,631,000.0
Total liabilities	37,403,228.0	42,376,696.0	39,135,000.0	44,940,000.0	53,786,000.0

SOURCE: COMPANY FILINGS MARKETLINE

Table 20: Samsung Electronics Co., Ltd.: key financial ratios

Ratio	2007	2008	2009	2010	2011
Profit margin	7.5%	4.6%	7.2%	10.4%	8.3%
Revenue growth	14.8%	23.1%	12.4%	13.4%	6.7%
Asset growth	14.8%	12.8%	6.5%	19.7%	15.9%
Liabilities growth	11.9%	13.3%	(7.6%)	14.8%	19.7%
Debt/asset ratio	40.1%	40.2%	34.9%	33.5%	34.6%
Return on assets	8.5%	5.6%	9.0%	13.1%	9.5%

SOURCE: COMPANY FILINGS MARKETLINE

Figure 18: Samsung Electronics Co., Ltd.: revenues & profitability

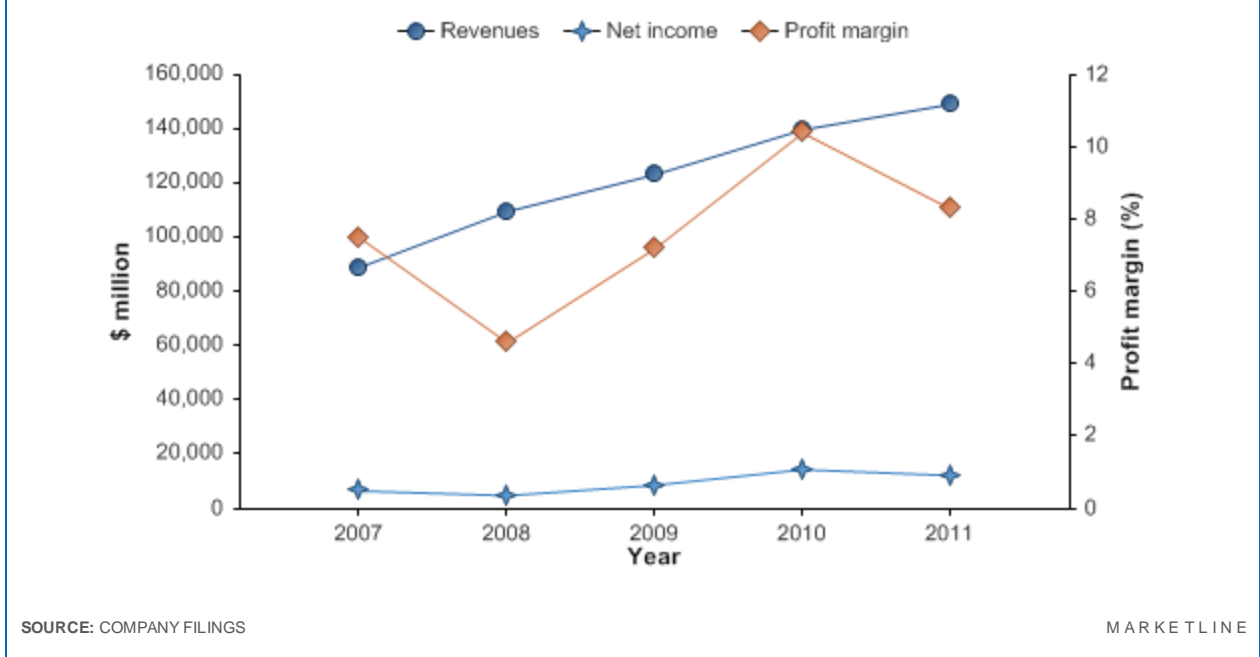
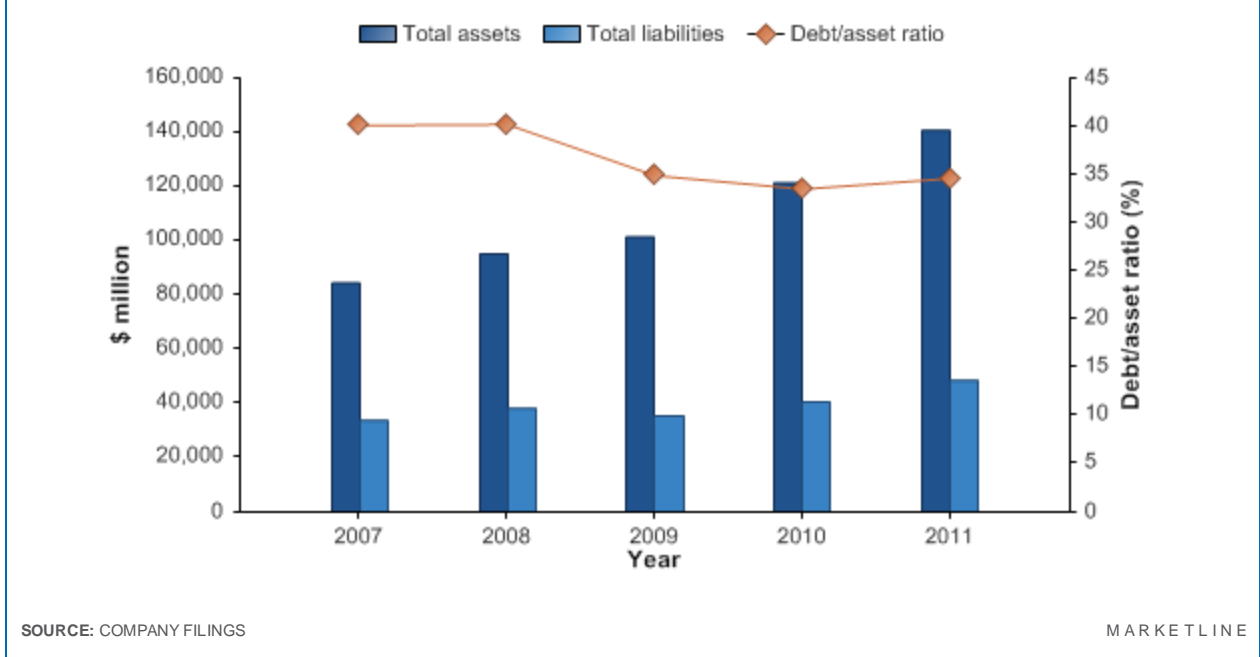


Figure 19: Samsung Electronics Co., Ltd.: assets & liabilities



MACROECONOMIC INDICATORS

Country Data

Table 21: Spain size of population (million), 2007–11

Year	Population (million)	% Growth
2007	45.2	1.1%
2008	46.2	2.1%
2009	46.7	1.3%
2010	47.0	0.6%
2011	47.3	0.5%

SOURCE: MARKETLINE MARKETLINE

Table 22: Spain gdp (constant 2000 prices, \$ billion), 2007–11

Year	Constant 2000 Prices, \$ billion	% Growth
2007	736.5	3.6%
2008	742.9	0.9%
2009	715.1	(3.7%)
2010	714.6	(0.1%)
2011	719.7	0.7%

SOURCE: MARKETLINE MARKETLINE

Table 23: Spain gdp (current prices, \$ billion), 2007–11

Year	Current Prices, \$ billion	% Growth
2007	1,443.6	16.7%
2008	1,601.0	10.9%
2009	1,461.1	(8.7%)
2010	1,398.0	(4.3%)
2011	1,493.5	6.8%

SOURCE: MARKETLINE MARKETLINE

Table 24: Spain inflation, 2007–11

Year	Inflation Rate (%)
2007	2.8%
2008	4.1%
2009	(0.3%)
2010	2.1%
2011	3.1%

SOURCE: MARKETLINE

MARKETLINE

Table 25: Spain consumer price index (absolute), 2007–11

Year	Consumer Price Index (2000 = 100)
2007	124.5
2008	129.6
2009	129.2
2010	131.9
2011	135.9

SOURCE: MARKETLINE

MARKETLINE

Table 26: Spain exchange rate, 2007–11

Year	Exchange rate (\$/€)
2007	0.7308
2008	0.6834
2009	0.7192
2010	0.7549
2011	0.7188

SOURCE: MARKETLINE

MARKETLINE

APPENDIX

Methodology

MarketLine Industry Profiles draw on extensive primary and secondary research, all aggregated, analyzed, cross-checked and presented in a consistent and accessible style.

Review of in-house databases – Created using 250,000+ industry interviews and consumer surveys and supported by analysis from industry experts using highly complex modeling & forecasting tools, MarketLine's in-house databases provide the foundation for all related industry profiles

Preparatory research – We also maintain extensive in-house databases of news, analyst commentary, company profiles and macroeconomic & demographic information, which enable our researchers to build an accurate market overview

Definitions – Market definitions are standardized to allow comparison from country to country. The parameters of each definition are carefully reviewed at the start of the research process to ensure they match the requirements of both the market and our clients

Extensive secondary research activities ensure we are always fully up-to-date with the latest industry events and trends

MarketLine aggregates and analyzes a number of secondary information sources, including:

- National/Governmental statistics
- International data (official international sources)
- National and International trade associations
- Broker and analyst reports
- Company Annual Reports
- Business information libraries and databases

Modeling & forecasting tools – MarketLine has developed powerful tools that allow quantitative and qualitative data to be combined with related macroeconomic and demographic drivers to create market models and forecasts, which can then be refined according to specific competitive, regulatory and demand-related factors

Continuous quality control ensures that our processes and profiles remain focused, accurate and up-to-date

Industry associations

CTIA - The Wireless Association

1400 16th Street, NW, Suite 600, Washington, DC 20036, US

Tel.: 1 202 785 0081

Fax: 1 202 785 0721

www.ctia.org

AMETIC- Spanish Multisectorial Trade Association for Electronics, Information and Communications Technologies, Telecommunications and Digital Contents Industries

Príncipe de Vergara, 74 - 4th floor, 28006 Madrid, Spain

Tel.: 34 915 902 300

Fax: 34 914 114 000

www.ametic.es

Related MarketLine research

Industry Profile

Global Mobile Phones

Mobile Phones in Europe

Mobile Phones in Germany

Mobile Phones in France

Mobile Phones in the United Kingdom

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