

Mobile Phone Sales Reach \$4.6Bln in 2010

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Stimulated by increased demand for smart phones, overall mobile phone sales last year were about \$500 million more than in 2009, with huge sales in December, though the average price per unit dropped.

Telephone sales at Mobile TeleSystems retail outlets last month increased by 40 percent in unit terms over December 2009 and by 60 percent in revenue terms, said MTS spokeswoman Irina Osadchaya.

Telephone sales by the company were up 25 percent in the final quarter of the year over the third quarter. High-performance smart phones accounted for almost all of that growth. Year on year, their sales were four times greater in December 2010 and the fourth quarter saw sales volume double.

Demand for smart phones increased significantly at the Bely Veter chain as well, according to

company executive director Danila Vaskevich, with an 87 percent increase in sales in December 2010 compared with the previous year. The iPhone 4 and HTC Desire HD were the most popular models. The chain had a 30 percent year-on-year increase in revenue for December 2010.

A spokesman of Yevroset, the country's largest cellular communications retailer, declined to comment on its sales, and the Svyaznoi chain did not respond to Vedomosti inquiries.

Retailers sold a total of 32 million phones last year, including about 4 million in December, said Denis Kuskov, general director of the Telecomdaily agency. The average retail price of a telephone in 2010 was \$145, Kuskov said. Retailers sold a total of \$4.64 billion worth of phones last year. In 2009 the average price of a telephone at Yevroset was \$157, and 26.2 million sets were sold for \$4.1 billion.

Kuskov explained that the average price had fallen because of cheaper smart phones and touchpad devices. Buyers who would have paid \$1,000 for an iPhone bought Korean devices with touch screens for \$300 to \$500. Even the lower priced sets brought sellers 50 percent to 100 percent greater profit than standard mobile phones.

On the high end — \$800 and up — Samsung Galaxy S and Wave enjoyed high demand, in addition to the iPhone and HTC Desire, said Eldar Murtazin, chief analyst of the Mobile Research Group. He added that telephones costing less than \$33 made up 30 percent of sales.

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