



Press release

Date 26 July 2012

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PwC Introduces Mobile Innovations Forecast, Provides Early Notice of Disruptions and Opportunities in Technology Sector

*PwC's Mobile Technologies Index Forecasts
Mobile Device Connectivity Speed Will Quadruple by 2015*

SAN JOSE, CA, 26 Jul 2012 –PwC has introduced its Mobile Innovations Forecast (MIF), a new framework for analysing the speed at which innovation is changing the nature of mobile devices and the implications of innovation to technology businesses. PwC also introduced its Mobile Technologies Index, which forecasts that the *connectivity speed* of mobile devices will quadruple by 2015 from 2011 levels. The overall Index forecast rises at a 42 percent combined compound annual growth rate (CAGR) over the same period.

The MIF uses a four part framework for analysing and understanding mobile innovation. The four parts are *enabling technologies, new technological capabilities, new use cases* and *new business models*. The PwC MIF is aimed at helping executives understand the evolutionary curve of technology innovation, which can lead to revolutionary products that disrupt and transform entire markets.

“Mobile computing is one of the leading market forces redefining customer demand and business opportunity for technology companies,” said Raman Chitkara, PwC's global technology industry leader. “The Mobile Technologies Index is a quantitative method PwC has developed to analyse the rate of improvement in key enabling technologies that are fundamental to mobile innovation, and to help companies plan new uses and business models.”

The PwC MIF helps business leaders answer key questions such as: Where will disruptions in mobile innovations arise over the next five years? How will these disruptions change consumer and employee behaviour? What business opportunities will result? What can companies do to take advantage of these disruptions? How do they fit into broader market trends now driving the technology sector?

The first MIF report includes the Index and provides an overview of seven enabling components that underlie the power of the mobile device to sense, analyse, store and connect information. Growth rates for each of the seven enabling technologies from 2011 to 2015 are forecast as follows:

- Device connectivity speed: Megabits per second per dollar (Mbps/\$) will improve 37 percent CAGR, equating to four times faster in 2015 than in 2011.
 - Infrastructure speed: average Megabits per second will improve 54 percent CAGR.
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- Processor speed: Gigahertz per dollar (GHz/\$) will improve 53 percent CAGR.
- Memory: Gigabits per dollar (GB/\$) will improve 48 percent CAGR.
- Storage: Gigabytes per dollar (GB/\$) will improve 35 percent CAGR.
- Image sensor: Megapixels per dollar (MP/\$) will improve 20 percent CAGR.
- Display: performance per dollar per square inch (P/\$/in²) will improve 18 percent CAGR. Performance is a weighted aggregation of resolution, brightness, power efficiency and other factors.

“Mobile devices and their supporting services will continue to run applications faster, store more data, create better pictures, and display information in brighter and more compelling images, driven by the seven components of the Mobile Technologies Index,” added Chitkara. “The next game-changing innovation will likely occur as the result of creative thinking about how devices are used, through unique business models, or in some combination of all four parts of the framework.”

In the first of the articles looking at enabling technologies, *Device connectivity speed: One half of an equation*, released concurrently with the MIF, PwC says that game-changing services can be launched and market disruption take place when new capabilities reach a penetration level of 20 percent. “We saw this with 2G and 3G which took several years to impact innovation, and expect the biggest impact of 4G will be two to three years from now,” said Pierre-Alain Sur, PwC's global communications industry leader. The other half of the equation, *infrastructure speed*, will be the topic of the next article in the series.

The PwC Mobile Technologies Index is the starting point for PwC's ongoing forecasting efforts in mobile innovation. In addition to the Mobile Technologies Index, future PwC MIF articles will explore different aspects of the four-part framework, including new capabilities of emerging and existing technologies; new use cases that arise from performance improvements or entirely new mobile technologies including the extension of the mobile ecosystem into the cloud; and new business models that might increasingly rely on industry dynamics outside of the mobile industry itself. The MIF is part of PwC's framework for understanding dynamics driving the broader technology, communications and entertainment and media markets.

For additional analysis and commentary on PwC's Mobile Innovations Forecast, please visit: www.pwc.com/mobileinnovations.

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