

Global smart mobile device sales surge past 10 million in quarter

– Converged devices drive growth, Symbian share continues to rise

Reading, UK – Tuesday, 26 April 2005

For immediate release

- Overall global shipments of smart mobile devices up 82% year on year in Q1 2005
- Handhelds down 6%, but converged devices (smart phones and wireless handhelds) up 137%
- Nokia ships 5.4 million smart phones to give it 50% market share
- PalmOne growth slows to 1%, lead over RIM and HP shrinks
- Fujitsu becomes second largest provider of Symbian-based handsets

Worldwide smart mobile devices Q1 2005 – research highlights

Nokia continued its relentless advance in the global smart mobile device market in Q1, shipping a record 5.4 million smart phones in the quarter. Shipments were once again boosted by the introduction of new models, notably the business-oriented Nokia 9300 clamshell keyboard model, which followed the introduction of the Nokia 9500 Communicator in the previous quarter. The majority of Nokia's smart phone shipments are Series 60 handsets, such as the Nokia 6670, which appeal to a wide audience, but the arrival of the Nokia 9300 has been greatly anticipated by mobile professionals and it enjoyed a high level of pre-orders.

Worldwide total smart mobile device market					
Market shares Q1 2005, Q1 2004					
Vendor	Q1 2005 shipments	% share	Q1 2004 shipments	% share	Growth Q1'05/Q1'04
Total	10,782,380	100.0%	5,930,010	100.0%	82%
Nokia	5,394,900	50.0%	1,670,160	28.2%	223%
palmOne	1,009,040	9.4%	995,960	16.8%	1%
RIM	758,300	7.0%	379,990	6.4%	100%
Fujitsu	654,320	6.1%	361,400	6.1%	81%
HP	607,010	5.6%	577,650	9.7%	5%
Others	2,358,810	21.9%	1,944,850	32.8%	21%

Source: Canalys estimates © 2005 canalys.com ltd.
Smart mobile device market: handhelds, wireless handhelds, smart phones

“The keyboard-based models are important products in Nokia’s push to become the preferred device supplier for enterprise mobility,” said Chris Jones, Canalys director and senior analyst. “But both were in development prior to the formation of Nokia’s Enterprise Solutions Group, and we expect to see it bring many more business-class smart phones to market over the coming quarters. With demand among businesses

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for sophisticated mobile e-mail growing rapidly, all vendors need to consider how they will address this need, not only in terms of device design and software integration, but also in their routes to market.”

The recent publicity surrounding the withdrawal of Motorola’s MPx keyboard-based smart phone, more than a year after it was first shown, highlights just how difficult vendors can find it to bring some of these more complex devices to market. “Even when the technical hardware and software hurdles are overcome, there remain the challenges of getting the right channel and operator relationships in place, and motivating those intermediaries to reach the IT decision-makers rather than the traditional mobile phone buyers in the enterprise,” Jones added.

RIM is one company that has put a great deal of effort into such relationships, boasting the support of over a hundred operators today. Its shipments doubled year on year in Q1 2005 according to Canalys estimates, helping it achieve third place behind palmOne, whose shipments rose just 1%. PalmOne’s handheld shipments fell 27%, but this was counterbalanced by the continued success of its Treo smart phones in the US. Around 40% of palmOne’s device shipments are now accounted for by Treo smart phones, up from 17% a year earlier. However, with the US representing almost 80% of the company’s smart phone shipments, it clearly still needs to expand its reach and relationships in EMEA and the Asia/Pacific regions to compete effectively on a global scale.

Fujitsu, in fourth place overall, became the second largest Symbian handset vendor in Q1 2005, with unit shipments growing in line with the sector average. The dominant provider of FOMA phones for NTT DoCoMo in Japan, its position was helped by a full quarter of shipments of the F901iC. Mitsubishi’s D901i FOMA phone also helped raise Symbian’s volumes in the region.

Worldwide total smart mobile device market					
Market shares by operating system Q1 2005, Q1 2004					
OS vendor	Q1 2005 shipments	% share	Q1 2004 shipments	% share	Growth Q1'05/Q1'04
Total	10,782,380	100.0%	5,930,010	100.0%	82%
Symbian	6,618,370	61.4%	2,402,790	40.5%	175%
Microsoft	1,976,970	18.3%	1,368,400	23.1%	44%
PalmSource	1,131,310	10.5%	1,303,730	22.0%	-13%
RIM	758,300	7.0%	379,990	6.4%	100%
Others	297,430	2.8%	475,100	8.0%	-37%

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Smart mobile device market: handhelds, wireless handhelds, smart phones

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Symbian's overall share of the worldwide smart mobile device market rose above 60%, from around 40% a year earlier. Despite increasing activity among Asian licensees of the OS, the proportion of shipments accounted for by Nokia remains very high at 82%. While this is down a few percentage points sequentially it is dramatically up on the 70% seen a year earlier.

"Symbian will enjoy the volume Nokia brings, but I expect it would also like to see the other licensees expanding their portfolios," commented Canalys analyst Rachel Lashford. "Their focus remains on producing lower-specification, lower-cost 3G and 2G imaging phones for the mass market. Some enterprise customers may feel uncomfortable about adopting a platform so dominated by one vendor. The recent arrival of the Series 60 based Nokia 3230 heralds the company's first steps in pushing the OS down into the mid-market, which, if successful, is likely to significantly increase not only Symbian's volume, but also Nokia's share of it."

An overview of global smart mobile device market trends, along with market share data, forecasts and profiles of the leading vendors, can be found in the newly published Mobile Device Trends 2005 report. More information is available from the Canalys web site.

About Worldwide Mobile Devices

The shipment estimates discussed in this release come from Worldwide Mobile Devices – the global market tracking expansion to Mobile Device Analysis, the leading EMEA-focused continuous advisory service from Canalys. Worldwide Mobile Devices uses the established Canalys smart mobile device product segmentation and definitions to give clients a consistent worldwide view of the market for handhelds, wireless handhelds and smart phones. Clients receive quarterly market updates, reports, trends presentations and forecasts, and direct access to Canalys analysts. More information is available from the Canalys web site.

About Canalys

Canalys specialises in delivering high quality market data, analysis and advice to the world's leading technology providers. It is recognised as a key supplier of continuous advisory services and confidential custom projects for marketing managers and strategists within blue-chip IT, telecoms and consumer electronics companies. It has unrivalled expertise in European routes to market for all kinds of high technology products and services, and provides worldwide market data and trends analysis.

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