Smart phones up, handhelds down globally in Q2

– But GPS integration helps keep EMEA handheld market positive

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For immediate release

- Overall global shipments of smart mobile devices up 105% year on year in Q2 2005
- Converged devices up 186%, handhelds down 14%
- Nokia's share grew to 55%, with it shipping 6.7 million smart phones
- Palm retains second place as its smart phones grew more than 200%, but handhelds fell 32%
- RIM, in third, ships almost 900,000 converged devices, on target for its first million-unit quarter

Worldwide smart mobile devices Q2 2005 – research highlights

The global market for smart mobile devices continued its meteoric rise in Q2 according to estimates released by Canalys today. The positions of the top three vendors, Nokia, Palm and RIM, remained unchanged from Q1, though strong performance by Motorola, particularly in China and Japan, helped it re-enter the top five narrowly ahead of Fujitsu. Fujitsu itself enjoyed a strong Q2 thanks to the mid-quarter launch of its new FOMA F901iS smart phone.

Nokia once again saw its smart phone shipments increase at more than twice the average market rate. Demand was evident not only for its newer models, such as the 3G Nokia 6680, but also for the likes of the Nokia 7610, which benefited from targeted marketing programmes. In addition to the success of the Series 60 platform devices, growth for the more enterprise-orientated 9500 Communicator and 9300 smart phone led to a sequential rise for the Series 80 platform. This was helped by the availability of new language variations and enterprise applications.

Worldwide total smart mobile device market
Market shares Q2 2005, Q2 2004

Vendor	Q2 2005 shipments	% share	Q2 2004 shipments	% share	Growth Q2'05/Q2'04
Total	**12,185,600**	**100.0%**	**5,933,330**	**100.0%**	**105.4%**
Nokia	6,695,800	54.9%	1,967,550	33.2%	240.3%
Palm	1,057,420	8.7%	1,067,880	18.0%	-1.0%
RIM	897,280	7.4%	487,600	8.2%	84.0%
Motorola	556,050	4.6%	75,450	1.3%	637.0%
Fujitsu	527,890	4.3%	146,830	2.5%	259.5%
Others	2,451,160	20.1%	2,188,020	36.9%	12.0%

Source: Canalys estimates, © canalys.com ltd. 2004-2005
Smart mobile device market: handhelds, wireless handhelds, smart phones

Palm's Treo 650 saw continuing success, with shipments of the smart phone reaching record levels in both North America and EMEA. Palm still leads the handheld segment, with 31% market share, but its handheld shipments declined 32% year on year, resulting in a 1% unit decline overall. In marked contrast to the boom in converged smart mobile devices (smart phones and wireless handhelds), the market for handhelds fell 14% year on year, with second-placed HP also experiencing a fall of 21% and feeling pressure in the retail sector in North America. Handheld shipments fell in most regions, with North America down by 36%, while Latin America and Asia Pacific fell 12% and 21% respectively.

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Symbian	7,648,920	62.8%	2,429,930	41.0%	214.8%
Microsoft	1,931,630	15.9%	1,360,220	22.9%	42.0%
PalmSource	1,157,720	9.5%	1,335,810	22.5%	-13.3%
Others	1,447,330	11.9%	807,370	13.6%	79.3%

Source: Canalys estimates, © canalys.com ltd. 2004-2005
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In EMEA, however, handhelds are still showing growth, at 18% in Q2, as demand for devices with integrated GPS navigation hardware continues to rise.

"Many of the leading handheld vendors in the region, such as Acer, Mio Technology, Yakumo and Typhoon, have successfully integrated GPS and are promoting these devices primarily as navigation solutions," commented Canalys analyst Rachel Lashford. "But bundles of GPS hardware and software on other handhelds are still significant, and HP has seen particular success in this area in EMEA, where it is still the leading handheld vendor. The trend though is firmly towards integrated devices and it is likely that more vendors will enter this segment in the coming months," she added.

In the converged device space, HP's new iPAQ hw6500 is the first wireless handheld to feature integrated GPS, and started shipping in EMEA during the quarter. RIM remains the leading wireless handheld vendor globally by some margin, with overall shipments up by 84%. Canalys estimates that around 85% of its shipments in the quarter were the keyboard-based wireless handhelds, with the 7100 series smart phones representing the remaining 15%. RIM continued to expand its operator relationships around the world, helped by its Fast 100 programme, though North America continued to account for around 80% of units shipped.

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 recently 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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