

## Worldwide smart phone market soars in Q3

### – Nokia hits new high, Palm’s business crosses over to converged devices

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For immediate release

- Global shipments of smart mobile devices up 75% year-on-year in Q3 2005
- Handheld shipments fall 18%, while converged devices more than double in volume
- Leader Nokia ships record 7.1 million smart phones, up 142% year-on-year
- Palm shipments down 2% overall, but Treo smart phones up 71%, overtaking its handhelds for first time
- HP re-enters top five as hw6500 series wireless handhelds perform well

### Highlights from the Canalys Q3 2005 global smart mobile device research

The continuing shift from standalone handhelds to converged smart mobile devices was confirmed again today by the latest estimates released by analyst firm Canalys. The positions of the top four device vendors worldwide remained unchanged from Q2, with HP displacing Japanese smart phone vendor Fujitsu to take fifth place.

<b>Worldwide total smart mobile device market</b>					
<b>Market shares Q3 2005, Q3 2004</b>					
<b>Vendor</b>	<b>Q3 2005 shipments</b>	<b>% share</b>	<b>Q3 2004 shipments</b>	<b>% share</b>	<b>Growth Q3'05/Q3'04</b>
<b>Total</b>	<b>13,004,680</b>	<b>100.0%</b>	<b>7,429,040</b>	<b>100.0%</b>	<b>75.1%</b>
<b>Nokia</b>	7,130,120	54.8%	2,951,450	39.7%	141.6%
<b>Palm</b>	1,053,390	8.1%	1,076,470	14.5%	-2.1%
<b>RIM</b>	977,940	7.5%	619,020	8.3%	58.0%
<b>Motorola</b>	693,650	5.3%	61,630	0.8%	1025.5%
<b>HP</b>	551,140	4.2%	689,410	9.3%	-20.1%
<b>Others</b>	2,598,440	20.0%	2,031,060	27.3%	27.9%

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

Nokia maintained its huge lead, with year-on-year growth of 142% being almost twice the market average. Particularly successful were its 3G Symbian Series 60 based smart phones, including the Nokia 6680, 6630, N90 and N70, but older devices, such as the 6600, continued to contribute to shipments, particularly in developing regions. Nokia’s overall global market share position remains supported by its strength in EMEA, which Canalys estimates accounted for just under 70% of the vendor’s smart phone shipments in Q3.

The Treo 650 smart phone has now become a key part of second-placed Palm's device portfolio. For the first time, shipments of Palm's smart phones overtook those of all its handhelds combined. Smart phones represented 53% of its shipments globally, up from 40% in the previous quarter. Palm has of course announced a Windows Mobile based smart phone for the US market in 2006 and the next six months are likely to see more changes in the vendor's product mix. Its overall shipments fell 2%, despite smart phone growth of 71%, due to a 34% fall in handheld shipments, but it is still the only vendor other than Nokia shipping more than a million smart mobile devices each quarter.

RIM, in third place, narrowly missed joining the million-unit club this quarter, shipping 978,000 devices globally. The vendor's year-on-year growth, although impressive over the past two years, slowed again to 58%, from 84% last quarter and 100% in Q1 2005. "Despite pioneering the market for enterprise push e-mail solutions and doing a great job of signing up new operators in many countries the company is coming under increasing pressure from a number of hardware and software vendors, all chasing this lucrative segment," said Canalys analyst Rachel Lashford. The proportion of its device shipments accounted for by EMEA rose from 17% in Q2 2005 to 24% this quarter, meaning that North America represented 74% of shipments, down from 80% last quarter.

By far the fastest growing vendor in the top five was fourth-placed Motorola. Its smart phone volume rose to 694,000 units, helped significantly by shipments of the company's Linux-based smart phones in China, where their handwriting recognition capabilities have proved popular.

Despite an overall year-on-year drop of 20% in its device shipments, sequential growth of 22% was enough to put HP back into the top five. Like Palm, HP is seeing a shift to converged devices. The hw6500 series wireless handhelds with integrated GPS did particularly well in Q3 2005 and HP continues to benefit from the demand for navigation solutions in EMEA, a region which now represents more than half of its global smart mobile device shipments.

### **About Worldwide Mobile Devices**

The shipment estimates discussed in this release come from Worldwide Mobile Devices – the leading global smart mobile device market tracking 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 by 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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**Canalys**  
**100 Longwater Avenue**  
**GreenPark**  
**Reading**  
**RG2 6GP, UK**  
**Tel: +44 118 945 0173 Fax: +44 118 945 0186**  
**E-mail: [press@canalys.com](mailto:press@canalys.com) Web: <http://www.canalys.com/>**