

Android increases smart phone market leadership with 35% share

- **Asia Pacific becomes largest smart phone region in Q1 with 37% of shipments**

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For immediate release

Canalys today released its worldwide country-level smart phone market data for Q1 2011, revealing that Android led the market for the second quarter running, and, with 35.7 million units shipped, increased its share to 35%. At the same time, Canalys confirmed that Asia Pacific (APAC) became the largest smart phone market region, with year-on-year growth of 98% to 37.3 million units, putting it ahead of Europe, the Middle East and Africa (EMEA) for the first time since Q3 2007. On a country basis, mainland China, South Korea and India delivered strong volumes and registered triple-digit growth.

Overall, worldwide smart phone shipments grew 83% to 101.0 million units. Though its market share shrank from 39% a year ago to 24% in Q1 2011, Nokia held onto its worldwide leadership position with 24.2 million units shipped - a 13% year-on-year rise - despite the current realignment of its platform strategy, staying ahead of RIM in EMEA and Apple in APAC. APAC became the largest region for Nokia, accounting for 53% of its overall shipments, overtaking EMEA by more than 3 million units.

‘Nokia is under considerable strain in the smart phone market as it transitions strategy, platforms and people,’ said Canalys Principal Analyst Pete Cunningham. ‘Its worldwide reach, however, should never be underestimated. Canalys’ country-level data shows that the vendor remains number one in 28 countries, including mainland China, where it grew 79% to 8.9 million units, thanks in part to Chinese New Year shipments.’

At a platform level, Android’s continued dominance was boosted by good performances by a number of key vendors. ‘HTC, Samsung, LG, Motorola and Sony Ericsson drove Android shipments in the first quarter, with each vendor shipping well over 3 million devices,’ said Cunningham. ‘Samsung also shipped nearly 3.5 million bada operating system-based smart phones, outperforming total shipments of Windows Phone devices by more than a million units.’

‘Samsung’s own operating system development, combined with the branding and investment in its Wave smart phones at mid-tier prices, has led to good uptake in developed markets, such as France, the UK and Germany,’ continued Cunningham. ‘This achievement shows that there is still room for multiple operating systems, and that vendors can benefit from maintaining control of device development to hit the right markets and price points.’

Nokia, Apple, RIM, Samsung and HTC were the top five global smart phone vendors, as in Q4 2010. Apple continued to make market share gains, reaching 19%. RIM's share, however, dropped in Q1, as its portfolio awaited a refresh and the vendor focused on the PlayBook launch. Overtaking Motorola, LG moved into sixth place, with its Optimus series of Android smart phones doing well in all regions.

The US remained the largest country for smart phone shipments, with Apple substantially extending its lead, achieving a share of 31% and growth of over 150% year on year. Volumes were boosted significantly by shipments of the iPhone 4 with Verizon Wireless. Android remained the leading smart phone platform in the US for the third consecutive quarter, with a 49% share. Growing by well over 200%, HTC became the leading Android vendor in the US and the second-place smart phone vendor in the country overall.

'Shipments of its EVO series, Inspire 4G and Thunderbolt enhanced HTC's strong performance in this quarter,' said Canalys Vice President and Principal Analyst Chris Jones. 'The vendor has a wide and regularly refreshed portfolio, covering multiple network technologies, which puts it in a strong position both in the US and worldwide.'

The popularity of 4G-branded models, such as the Samsung Galaxy S 4G, HTC EVO Shift 4G and the T-Mobile myTouch 4G, heavily influenced US market shipments this past quarter. Q1 also marked the first full quarter of LTE smart phone shipments, following Verizon's 4G network launch in December 2010. Canalys estimates that shipments of these devices reached over 600,000 units.

'We are starting to see some significant benefits from marketing high-speed networks to consumers in the US, as end users become more familiar with the performance and technical aspects of their smart phones,' said Jones. 'It's a trend that will inevitably spread around the world over the coming years as carriers upgrade their network infrastructures.'

Worldwide smart phone market					
Regional shares Q1 2011, Q1 2010					
Region	Q1 2011 shipments (million)	% share	Q1 2010 shipments (million)	% share	Growth Q1'11/Q1'10
Total	101.0	100%	55.2	100%	83%
Asia Pacific	37.3	37%	18.8	34%	98%
Europe, Middle East and Africa	32.6	32%	19.6	35%	67%
North America	24.7	24%	13.3	24%	85%
Latin America	6.5	6%	3.5	6%	86%

Note: rounding errors may occur

Source: Canalys estimates, © Canalys 2011

About the Canalys Smart Phone Analysis service

The shipment estimates in this release come from the market-leading Canalys Smart Phone Analysis service, which covers markets by country in Asia Pacific, North and Latin America, and EMEA, as well as providing worldwide market overviews. Canalys delivers overall volume forecasts and market shares for all mobile phone categories, while providing analysis on the qualitative factors behind the evolving trends. Canalys does not release preliminary, incomplete data and uses standard definitions and methodologies to ensure consistency across all of the market data that appears in its services. The company simultaneously publishes final market data every quarter for every country tracked.

About Canalys

Canalys serves the technology industry with high-quality analysis, produced via a rigorously consistent methodology that is complemented by attentive customer service. Members of its talented, ambitious and globally integrated team are leading-edge users of technology. Canalys deploys innovative, web-based solutions to gather research, connect communities and provide customer-friendly deliverables. These investments underpin the company’s long-term approach to consistent, profitable global growth.

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