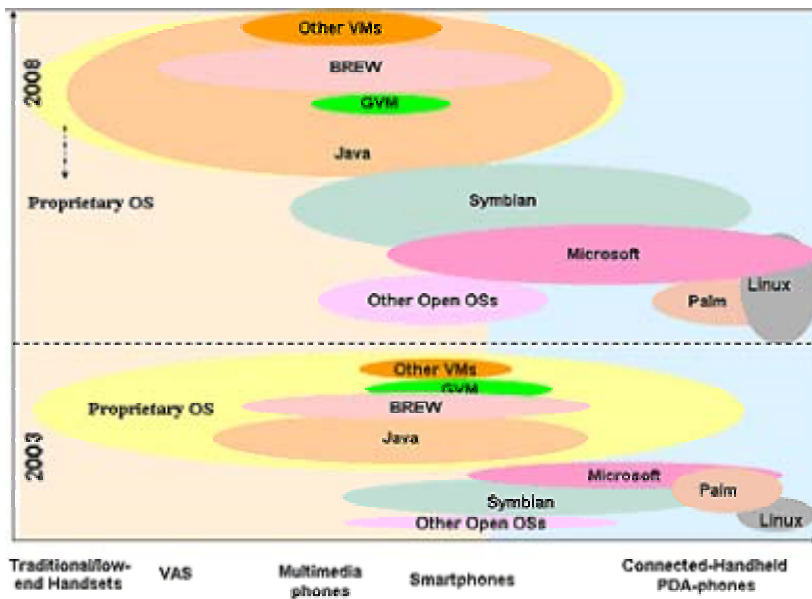


Shipments of mobile phones powered by open OSs to reach 89m units in 2008

ARC Group
Industry Announcements
29 April 2004

According to the recently released report from ARC Group, **MOBILE APPLICATION PLATFORMS AND OPERATING SYSTEMS 2003-2008**, 97% of data-capable handset devices shipped in 2003 were powered by proprietary operating systems (OSs). Shipments of devices powered by third party open OSs reached 9.8m units, all targeting smartphones and rich feature devices. While the volume of these devices has not built yet, the value attributed to them could be as high as 11% of the total handset market.

"Such devices offer extra functionality and are therefore more expensive to the end-user than traditional handsets. In addition, as these devices often attract professionals and consumers already familiar with data networks, they represent a potential source of increased wireless data revenue streams, which will encourage operators to subsidise them" says Malik Saadi, senior analyst at the ARC Group and author of ARC Group's new report.



Shipments of devices powered by third party open OSs will grow from 9.8m units in 2003 to reach over 89m units in 2008. Symbian is currently the leader in this market with an overwhelming 68% share. Microsoft holds second place with 15% and Palm is close behind with a 14% market share.

In 2003, Europe was the main consumer of devices powered by third party open OSs with a 46% market share, which translates to 4.55m shipped devices in the region. The dominance of Symbian's partners including Nokia, Sony-Ericsson, Siemens, and the popularity of Symbian-based smartphones, means that it will be difficult for others to overtake Symbian's market share in this region in the near future.

North America is the second biggest market with around 3.1m shipments in 2003. Asia-Pacific operators and device vendors have widely opted to adopt proprietary OSs rather than choosing open OSs to power smartphone devices. Indeed, in this region some 70% of smartphones shipped in 2003 were powered by proprietary OSs. Shipments of third party open OS smartphones reached 1.35m.

MOBILE APPLICATION PLATFORMS AND OPERATING SYSTEMS found that the number of devices featuring applications platforms in conjunction with an OS, including Java and BREW, or GVM reached 115m units in 2003. Most of these were mid-range to high-end devices. "The concept of featuring these platforms over proprietary OSs will continue to prevail in mid-range handsets and will progressively penetrate lower-end devices" says Malik Saadi. "However, in the high-end of the market, including smartphones, there is tough competition between feature rich open OSs and such platforms embedded in proprietary OSs. The total number of devices shipping with one or more of these platforms on top of proprietary OSs will reach 627m units in 2008 from 102m units shipped in 2003."