

Forward Concepts forecasts a very good year for 3G cellphone shipments, but a down year for those of older technologies.

Contact Will Strauss: 480-968-3759

Tempe AZ - April 11, 2005 - Forward Concepts has announced the publication of an in-depth study of the worldwide cellphone market and the chips that go into them. The new 560-page study, "Global Cellular Handset & Chip Markets" is an extensive analysis and forecast of the market. In addition to detailed forecasts (by technology and by region) of handsets, chips, and subscribers (by country), the study profiles cellphone OEMs, ODMs, cellular operators and the key chip vendors.

In addition to handset and chip forecasts by technology (2G, 2.5G, 3G, HSDPA, 3.5G) and global region, the report provides estimates of the market shares of the 40 major cellphone vendors, the market shares of the top cellphone chip vendors for digital basebands, analog basebands/power management, RF transceivers, RF power amplifiers, application processors, camera sensors, Bluetooth and color display drivers.

The study concludes that 2004 cellphone shipments reached a record 715 million units, including inexpensive PHS/PAS units in China. The study projects that 2005 overall unit sales will increase only by 4.5% to the 746-million level...as larger markets for older technologies decline, offsetting strong gains by newer technologies. For example, older TDMA shipments are projected to fall by 30% and even traditional GSM shipments will decline by a projected 23% this year.

On the other hand, cellphones addressing newer high-bandwidth technologies will grow sharply. EDGE cellphones will grow by 51% to the 60-million unit level, WCDMA cellphones will grow by 165% to the 45-million level and CDMA2000 1xEV-DO terminals (cards and handsets) will grow by 65% to 16-million units. Although being rapidly displaced in Japan by newer technologies, cellphones based on 2G Personal HandyPhone service (PHS) are projected to grow by 24% to the 77-million level as the inexpensive units gain ground in China, Taiwan, India and other countries.

According to the principal author, Carter L. Horney, "Our assessment is that Texas Instruments remains the number-one cellular chip provider, overall, and also the number-one provider of baseband chips for both 2G and 3G/UMTS cellular. And, with their OMAP2 application processor, they have quickly become number one in that market segment as well. TI can't be complacent though, since Qualcomm still dominates the CDMA market and has a large number of design-ins for its UMTS baseband chips. Freescale Semiconductor had a very good year in 2004 and is also gaining ground in the cellular chip market."

Will Strauss, Forward Concepts' president and editor/contributor for the report, said, "The cellular handset has become the physical and market magnet that is pulling in the functionality of digital cameras, PDAs, MP3 players, GPS navigation, Bluetooth, and even Wi-Fi, and is quickly becoming the dominant market for each and all of these functions and more. This market study explores the market dynamics of each of these functions and the cellphone chip prospects for each of them."

The 560-page study, "Global Cellular Handset & Chip Markets" includes 110 figures and 105 tables and is available from Forward Concepts for \$3,750.00 (North America) in hard copy and in electronic form under





a global enterprise license for \$7,500.00. Details are on the company's website at www.forwardconcepts.com/handsets.

Contact:

Will Strauss

President & Principal Analyst

Forward Concepts, Tempe AZ

wis@fwdconcepts.com

(480) 968-3759

