Worldwide mobile navigation device market more than doubles

– Garmin and TomTom neck and neck as global leaders in Q2 2007

Reading, UK – Monday, 20 August 2007
For immediate release

- 7.4 million mobile navigation devices shipped in Q2 2007, up 116% on Q2 2006
- Over 90% of these were PNDs (dedicated Portable Navigation Devices)
- Converged devices, such as smart phones, took 6% of the total market
- The US share of the market rose to a new peak of 26%, EMEA represented 60%
- Garmin narrowly took the number one spot from TomTom, for the first time in two years
- Garmin and TomTom both increased their share year-on-year and sequentially

Highlights from the Canalys Q2 2007 global mobile navigation research

After two years at the top by several percentage points, TomTom was narrowly overtaken by Garmin as the leader in the global mobile navigation device market in Q2 2007, according to the latest estimates from analyst firm Canalys. The Canalys figures include all mobile devices used for turn-by-turn road navigation with built-in GPS and on-board software, including not only PNDs (Portable Navigation Devices), such as the TomTom GO range and Garmin nüvi, but also smart phones, handhelds and other similar classes of device. Total device shipments for the quarter stood at 7.4 million, up 116% on the same quarter one year ago and almost 2 million above last quarter's figure.

Worldwide integrated on-board mobile GPS navigation device market
Hardware vendor market shares Q2 2007, Q2 2006

Vendor	Q2 2007 shipments	% share	Q2 2006 shipments	% share	Growth Q2'07/Q2'06
Total	**7,448,050**	**100.0%**	**3,445,540**	**100.0%**	**116.2%**
Garmin	1,852,150	24.9%	699,370	20.3%	164.8%
TomTom	1,806,970	24.3%	829,790	24.1%	117.8%
Mio Technology	683,500	9.2%	290,590	8.4%	135.2%
Magellan	421,080	5.7%	64,950	1.9%	548.3%
Navman	232,780	3.1%	171,410	5.0%	35.8%
Others	2,451,570	32.9%	1,389,430	40.3%	76.4%

Source: Canalys estimates, © canalys.com ltd. 2007
Includes PNDs, PMPs and smart mobile devices with integrated GPS used for turn-by-turn road navigation

"It is difficult to point to another part of the high-tech industry that is so dynamic and growing as fast as the navigation sector," said Chris Jones, Canalys VP and principal analyst. "With the current market growth, the still huge untapped potential, rapid hardware and software development, and the number of players vying for a share, you can understand why there has been so much merger and acquisition activity and interest in this business recently."

The leading players in hardware, software and mapping will assemble for the annual Canalys Navigation Forum in Barcelona, Spain in a few weeks time – an event that has quickly become the key global discussion and networking forum for this fast-moving industry. Europe still represents the majority of device shipments – around 60% in Q2 2007, according to Canalys – with healthy growth of 82% on the figure of a year earlier. But rapid growth in the US of almost 300% year-on-year means that European vendors are now starting to feel the impact of competition from North America. This competition is illustrated by Garmin narrowly taking the global market lead in Q2, its 25% share putting it less than one percentage point ahead of TomTom. This is the first time someone other than TomTom has led the worldwide market since Q1 2005. North America now represents more than a quarter of global shipments, up from just 15% a year ago according to the Canalys figures.

Globally, Garmin's and TomTom's shipments grew faster than the market average, with both vendors increasing their market shares from a year ago and from last quarter. Third-placed Mio Technology also saw a big rise, with shipments increasing 135% year-on-year. All three vendors saw substantial gains in the Asia-Pacific and EMEA (Europe, Middle East & Africa) regions as well as in North America. But it was fourth-placed Magellan that saw the biggest jump among the market leaders, enjoying a year-on-year climb of 548% worldwide, again largely due to massive growth in the US where it became the number two vendor behind Garmin.

"The landscape of the navigation industry is changing before our eyes," Jones added. "The ownership and geographic expansion of mapping data is of course fundamental to the development of the sector, but you also have technological and business model changes going on in the background. Nokia is already starting to make its presence felt with its GPS-enabled handsets, such as the N95, and its navigation solution packages. It is already poised just outside the top five after relatively little time in the market. But its future global success will depend a lot on cracking the US market in a way it has not managed to in the past and on delivering solutions that strike a chord with pedestrians as well as drivers. Its recent initiatives around A-GPS are clearly focused on delivering the kind of improved user experience that could put its devices into the hands of completely new types of navigation user."

While converged devices, such as Nokia's smart phones, represent only 6% of mobile navigation device shipments today they do have the potential to disrupt the market for the PND vendors who currently account for 90% of the unit volume. PND vendors are moving into connected devices themselves, to facilitate the upload of user-generated location content, map updates, traffic information, etc. But moving to connected devices brings lots of challenges around channels and overcoming users' reluctance to subscribe to data services. There is likely to be more convergence between the mobile phone and navigation industries over the coming year. "If you look at the stir Apple created in the mobile phone business with the iPhone, it is not hard to imagine a leading brand trying something similar in the navigation/phone crossover space, with a new approach in design and user interface. The fact that the US market is taking off and the volumes are becoming substantial means that more companies are sitting up and looking at the opportunities," Jones said.

Many European mobile operators have been dragging their heels on the development of location-based services (LBS) and navigation propositions. Canalys expects that, as more mobile handset vendors get heavily involved in the GPS navigation market, and PND vendors start to realise the benefits of connected devices, operators will lose even more control. "It will be the faster moving and more innovative navigation and Internet companies that drive LBS," Jones added. "The problem with focusing on building a walled garden is that you don't see how the landscape on the other side of the wall has changed, until it overruns you."

The future of the navigation industry will be discussed in depth at the Canalys Navigation Forum, which takes place in Barcelona from the 10th to the 12th of September 2007. Places are still available, but immediate booking is strongly advised to avoid disappointment. Visit www.canalysnavigationforum.com for more information.

About the Mobile Navigation Analysis service

The shipment estimates discussed in this release come from the market-leading Canalys Mobile Navigation Analysis service. Clients of the service receive detailed quarterly shipment databases for the navigation hardware and software markets, regular reports addressing key issues for the sector, trends presentations and webcasts, forecasts and other supporting research databases, and direct access to the Canalys analysts to help them address their particular business issues. 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 vendors. It is recognised as a key provider of continuous advisory services and confidential custom projects for marketing managers and strategists within blue-chip IT, telecoms, navigation and consumer electronics companies. It has unrivalled expertise in European routes to market for all kinds of high technology products and services in the consumer, SMB and large enterprise segments, and provides worldwide market data and trends analysis.

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