

PRESS RELEASE

Industry Strategic Outlook #12.2008: 3Q08 results in handset sector in line with expectations despite economic slowdown as the market moves towards converged mobile devices, according to new report by IEMR

Vancouver, November 25, 2008 – IE Market Research Corp. (IEMR), the Canadian-based provider of market intelligence services, announced today the release of its *Industry Strategic Outlook #12.2008: 3Q08 results in line with expectations despite economic slowdown*. The report covers the key strategic issues facing the company and provides forecasts on its operations.

“Year on year growth fell from 14% in 2Q08 to 4% in 3Q08. Our +8% estimate for 2008 implies 3% growth YoY for 4Q08. 3Q08 annual growth hit -9% in Western Europe and -28% in Japan, but remained positive in all other regions with CEMA at +15% the only double digit growth region,” said Nizar Assanie, Vice President (Research) at IEMR.

“Two-thirds of handset sales are now replacement so we think the handset sector is more geared to a global economic slowdown than it used to be,” said Wency Yee, Principal Research Associate at IEMR.

Key topics covered in this report are:

3Q08 units shipped flat QoQ at 310 million

Handset sector is more geared to a global economic slowdown as two-thirds of handset sales are now replacement

Smaller handset distributors to be impacted by the credit crunch

Nokia share loss due to manufacturing problem for a high end phone and retreat from low end competition

Samsung and LG exhibit divergent strategies as LG protects prices and margins at the expense of a share loss while Samsung overtakes Motorola for the number one spot in North America

Apple gains in market share and revenue terms

Companies without strong offerings in converged mobile devices will continue to suffer

3Q08 results in line with expectations

- Nokia results in line with expectations despite smartphone market share falling from 42% in 2Q08

to 37% in 3Q08.

- Samsung results in line with expectations with operating margins at 8.1%.
- Motorola's handset division remains under pressure, leading to decline in market share from 9.5% in 2Q08 to 8.5% in 3Q08.
- LG met its target of a double-digit handset margin with an 11.5% operating margin, despite higher marketing expenses.
- Sony-Ericsson's results in line with expectations as market share remains steady at 8%.
- Apple is selling more phones than RIM in 3Q08.

Markets trending down in 3Q08 as the recession is affecting developed economies

- Western Europe saw units fall -9% YoY.
- North America growth YoY is running at +5%.
- Latin America fell -14% sequentially, as this is a very volatile region.
- CEMA saw the best year on year growth at +15%.
- APAC is seeing price competition in the low end market.
- Japan saw a -28% YoY and -29% sequential fall in units.

Charts:

Chart 1: Sequential unit growth in 4Q – market: 4Q08 sequential unit growth to be lower than usual due to economic slowdown

Chart 2: Top 5 unit growth YoY: Motorola and Sony-Ericsson continue to see their unit growth fall deeper in negative territory

Chart 3: Top 5 ASP (\$): ASPs continue to fall across the board with only Motorola remaining somewhat constant

Chart 4: Top 5 operating margin: Nokia continues to enjoy the highest operating margin among the top 5

Chart 5: Top-5 operating margin versus ASP (\$): Operating Margins going in the same direction as ASP

Tables:

Table 1: Market Share of units (%), 1Q08 – 4Q08

Table 2: ASP QoQ (%), 1Q08 – 4Q08

Table 3: Operating Margin (%), 1Q08 – 4Q08

Table 4: Handset Revenues (\$M), 2Q08 – 4Q08E

Table 5: Handset Units (M), 2Q08 – 4Q08E

Table 6: Handset ASP (\$), 2Q08 – 4Q08E

Table 7: Handset ASP (€), 2Q08 – 4Q08E

Table 8: Handset Operating Margin (%), 2Q08 – 4Q08E

Table 9: 3Q08 units by region (Units in million, QoQ % and YoY %), 3Q08

Table 10: Growth in units implied in 4Q08, 1Q08 – 4Q08

Table 11: IEMR handset company forecasts (Handset units in million, Units QoQ in %, Units YoY in %, Market Share of units in %), 1Q06 – 2009E

For more information, visit

<http://www.iemarketresearch.com/Members/Reports/ViewReportDetail.aspx?RID=683&flag=1>
or contact:



Mr. Nizar Assanie
Vice President (Research)
IE Market Research
Tel: +1 604 327 4367
Email: info@iemarketresearch.com

About IE Market Research Corp.:

IE Market Research Corp. ("IEMR") is a market intelligence and business strategy consulting firm. Our goal is to assist our clients build value and compete in international markets. We build value in four sectors: wireless telecommunications, health care, finance, and government. We build value for our clients by undertaking international brand perception surveys, consumer satisfaction surveys, distributor/channel partner selection and due diligence, market size and opportunity assessments, competitor strategy assessments, government regulatory analysis, and public opinion surveys.

We offer a variety of research products including **CONSUMEREADY™** and **EXPORTREADY™**. **CONSUMEREADY™** provides detailed demographic information on brand strengths and marketing strategies that are crucial to know when competing in international markets. **EXPORTREADY™** is based on our on-going business strategy research that allows us to establish strengths and weaknesses of firms in a wide variety of areas, ranging from intellectual property portfolios to strengths of marketing strategies to quality of engineering. These results are highlighted in our **EXPORTREADY™** publications and form a valuable tool for firms wanting to strategize their market entry options in international markets.

Our corporate values are: Top-Quality Service to Clients, Commitment to see the Client Succeed, Excellence and Integrity in Research, Transparency and Respect toward our Employees. These core values drive all of our research and every client engagement.

For more information, visit our web-site: www.iemarketresearch.com



2300 - 1066 West Hastings Street
Vancouver, British Columbia
V6E 3X2. CANADA.
Tel: +1 604 327 IEMR
Toll Free: 1 888 322 IEMR
info@iemarketresearch.com