EL SEGUNDO, CA – Overall cellphone shipments will increase approximately 1% this year but for the first time in 14 years, **Nokia** will not be the leader at year-end.

Global smartphone shipments are set to rise 35.5% this year, propelling smartphone penetration to 47% of all phones, up from 35% in 2011, says **IHS iSuppli**.

The research firm says **Samsung** will seize the mobile handset market's top rank, accounting for 29% of all cellphone shipments, up from 24% in 2011. Nokia's share this year will drop to 24%, down from 30% last year.

This is the first year Samsung will occupy the top spot on a yearly basis; they ranked second in 2011.

"The competitive reality of the cellphone market in 2012 was 'live by the smartphone; die by the smartphone,'" said Wayne Lam, senior analyst for wireless communications at IHS. "Smartphones represent the fastest-growing segment of the cellphone market – and will account for nearly half of all wireless handset shipments for all of 2012. Samsung's successes and Nokia's struggles in the cellphone market this year were determined entirely by the two companies' divergent fortunes in the smartphone sector."

IHS anticipates the smartphone penetration rate in 2013 will elevate smartphones into the majority among all phone segments, at 56%.

Samsung's 2012 share of global smartphone shipments is expected to rise 8 points to 28%, up from 20% in 2011. In contrast, **Nokia** will suffer the biggest decrease, with its share forecast to plunge by 11 points to 5%, down from 16% last year.

Samsung and **Apple** ended 2011with only 1 percentage point of separation in market share. However, entering the 2012 year, Samsung moved ahead with a wide range of Android smartphone offerings. Samsung made significant gains in both the high end as well as the low-cost market with its Galaxy line. Samsung has addressed a larger target audience for its phones than Apple's limited premium iPhone line, says IHS.

Samsung and Apple account for 49% of shipments in 2012, up from 39% in 2011. While Nokia and **Research in Motion (RIM)** also held double-digit shares of the market in 2011, Samsung and Apple remain the only two players that will each command a double-digit portion of the smartphone space in 2012.

HTC and RIM struggled throughout 2012 in the smartphone market. Market share for HTC will shrink to 5% in 2012, down from 9% in 2011. RIM's share will fall to 5% this year, down from 11% last year.