## Plasma Panel Shipments Impacted by Economic Downturn, Down 12% Y/Y to 3.8M Units in Q4'08, Marking First Decline in More Than a Year

AUSTIN, TEXAS, February 2, 2009—Plasma panel shipment growth has been very strong in recent quarters as 32" demand surged in emerging markets and prices for larger sizes fell to popular price levels. However, weaker demand due to the global economic crisis began impacting plasma panel makers in Q4'08. Plasma panel module shipments were down 8% Q/Q and 12% Y/Y to 3.8M units, which is the first Y/Y decline since Q2'07 and 2% lower than expected, according to the latest DisplaySearch *Quarterly Global TV Shipment and Forecast Report, Plasma and LCD TV Panel Shipment Module*. Total plasma panel shipments for 2008 were 15.1M, very close to matching DisplaySearch's prediction at the beginning of the year. This represents a 26% increase from 2007, stronger growth than was seen the previous year. Panasonic was the only panel maker to see Y/Y unit growth in Q4'08, expanding its unit share to 47%, followed by Samsung SDI (26%) and LGE (20%). Price erosion took a toll on revenue growth with revenues falling 13% Q/Q and 21% Y/Y. However, 2008 annual revenues showed positive growth at 6%.

Additional notable developments from the Q4'08 shipment results include

- 1080p share of plasma panel unit shipments grew to record levels in Q4'08, capturing 25% of total shipments and rising to a record 960K units. Panasonic remained the dominant supplier of 1080p plasma panels, accounting for 78% of units shipped. Samsung was the #2 1080p plasma panel supplier at 12% unit share.
- 50" shipment share fell from 29% to 27% in Q4'08. This was due to a share increase for 42", which grew from 49% to 53% in Q4'08 due to lower pricing, an important consideration among recession-impacted consumers.
- Until Q3'08, 32" was an important growth category for plasma panels. But 32" shipment share fell in Q4'08 due to 32" LCD price erosion, which eliminated a pricing advantage for 32" plasma panels. 32" plasma panel shipments fell 47% Q/Q to just 260K units from a peak of more than 538K in Q1'08.

"The 2008 plasma panel shipment result of 15.1M is very close to what we expected. A yearly growth rate of 26% also looks quite good. In addition, 1080p PDP share is increasing, led by Panasonic, and improves plasma's competitiveness against LCD," noted YS Chung, DisplaySearch Director of Display Technology and Materials. "However, due to the demand reduction brought about by the economic crisis and manufacturing line shut downs by each plasma panel maker, it is hard to expect optimistic results for 2009 PDP shipments. It is also hard to expect positive revenue growth in 2009 due to LCD's price erosion and move into 50"+ sizes."

"On the other hand, major PDP makers have adopted higher luminous efficiency technology for new 2009 models, combining higher brightness with lower power consumption," Chung said. "Greater luminous efficiency makes it possible to adopt lower voltages and lower current components, which will bring additional cost savings. These are optimistic factors for the 2009 plasma market."

For the year 2008, the top plasma panel suppliers were Panasonic with 36% unit share and Samsung SDI with 29%, followed by LGE with 27%. Since Hitachi and Pioneer will withdraw from plasma module production in 1H'09, only three major panel makers are left in the plasma industry.

Table 1: Plasma Panel Revenue Share and Growth by Supplier

| Rank | Supplier | Q3'08 Share | Q4'08 Share | Y/Y Growth |
|---|---|---|---|---|
| #1 | Panasonic | 39.8% | 49.9% | 1% |
| #2 | Samsung SDI | 29.4% | 26.1% | -20% |
| #3 | LGE | 21.9% | 15.8% | -47% |
| #4 | Pioneer | 4.7% | 4.2% | -29% |
| #5 | Hitachi | 4.1% | 3.9% | -50% |
| #6 | Orion | 0.1% | 0.1% | -22% |
| | Total | 100.0% | 100.0% | -21% |

For detailed plasma module shipments, plasma fab activity, plasma supply/demand, plasma TV shipments by brand and region, and rolling 16-quarter plasma shipment, cost and pricing forecasts, please see the latest DisplaySearch *Quarterly Global TV Shipment and Forecast Report, Plasma and LCD TV Panel Shipment Module*. For information on any DisplaySearch report, contact Carl Holec for additional information at 1.512.687.1505, or info@displaysearch.com or contact your regional DisplaySearch office in China, Europe, Japan, Korea or Taiwan.

## About DisplaySearch

DisplaySearch, an NPD Group Company, has a core team of 59 employees located in Europe, North America and Asia who produce a valued suite of FPD-related market forecasts, technology assessments, surveys, studies and analyses. Visit the DisplaySearch blog to read about how our top analysts are interpreting up-to-the-minute issues that impact the display industry, and join us in this discussion about technology and the flat panel industry. The company also organizes influential events worldwide. Headquartered in Austin, Texas, DisplaySearch has regional operations in Chicago, Houston, Kyoto, London, San Diego, San Jose, Seoul, Shenzhen, Taipei and Tokyo, and the company is on the web at http://www.displaysearch.com/.

## About The NPD Group, Inc.

The NPD Group is the leading provider of reliable and comprehensive consumer and retail information for a wide range of industries. Today, more than 1,600 manufacturers, retailers and service companies rely on NPD to help them drive critical business decisions at the global, national and local market levels. NPD helps our clients to identify new business opportunities and guide product development, marketing, sales, merchandising and other functions. Information is available for the following industry sectors: automotive, beauty, commercial technology, consumer technology, entertainment, fashion, food and beverage, foodservice, home, office supplies, software, sports, toys and wireless. For more information, visit http://www.npd.com/.

## Contact

To contact DisplaySearch, call 1.888.436.7673 or 1.516.625.2452 or email contact@displaysearch.com
Media contact Stacey Voorhees, 1.925.336.9592 or email media@displaysearch.com
http://www.displaysearch.com/
http://www.displaysearchblog.com/