

■ TFT LCD Producers Face Tight Supply of Glass Substrates as Panel Capacity Rises, DisplaySearch Notes

AUSTIN, TEXAS, July 2, 2008—Based on forecasted TFT LCD fab utilization in the latest [Quarterly TFT LCD Glass Substrate Report](#), DisplaySearch expects the supply of glass will be tight in Q2'08 and Q3'08, become balanced in Q4'08 and Q1'09, then become increasingly tight through the remainder of 2009.

The report reveals that glass substrate suppliers will add 24 melting tanks in 2008, which could increase capacity 32% from 2007. In addition, glass substrate suppliers plan to add 14 more tanks in 2009, which could increase capacity another 18%. However, the latest panel production capacity forecasts published in the DisplaySearch [Quarterly TFT LCD Supply/Demand and Capital Spending Report](#) show panel maker capacity rising 27% in 2008 and 26% in 2009.

"It appears panel capacity could grow faster than glass capacity in 2009, tightening supply for panel makers as the year progresses. For this reason, DisplaySearch believes glass will be the TFT LCD material in tightest supply over the near term," according to [David Barnes](#), DisplaySearch Vice President of Strategic Analysis.

On the other hand, two factors might cause tight supply to loosen. Panel makers might reduce factory utilization in response to weakening economic conditions. Longer term, glass suppliers can add capacity in about one-half the time it takes to bring a new TFT fab on-line. Glass suppliers may be able to increase their capacity before supply becomes too tight.

Additional details on the DisplaySearch outlook for LCD glass substrates in 2008 and beyond is covered in the DisplaySearch [Quarterly TFT LCD Glass Substrate Report](#), including a detailed look at TFT LCD glass sector contributions to supplier profits. For more information on the [Quarterly TFT LCD Glass Substrate Report](#) and the [Quarterly TFT LCD Supply/Demand and Capital Spending Report](#), please contact sales@displaysearch.com, or contact your regional DisplaySearch offices in Japan, Korea, Taiwan and China.

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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/>