

Plasma Panel Shipments Fall Y/Y for the Second Quarter in a Row, Down 22% to 2.8M Units as Demand Remains Weak and Some Brands Exit Plasma

AUSTIN, TEXAS, April 28, 2009—As global demand remains weak due to poor economic conditions, plasma panel shipments from panel makers to brands fell Y/Y for the second straight quarter after posting strong growth during most of 2008. According to the latest [Quarterly Global TV Shipment and Forecast Report, Plasma and LCD TV Panel Shipment Module](#) from DisplaySearch, shipments fell 28% Q/Q in Q1'09 and 22% Y/Y to just under 2.8M units, down from 3.5M units in Q1'08. Most of the decline was due to 32" models being discontinued in 2009, but even 42" and 50" panel shipments fell in Q1'09. Some brands announced their withdrawal from the plasma TV business in Q1'09, like Pioneer, while other brands decided to shift away from plasma to focus on LCD TV only, like Vizio. The result was weaker than anticipated shipments as the number of brands consolidates.

Additional notable developments from the Q1'09 shipment results include the following:

- 50" + share of shipments reached a new high of 33% in Q1'09 from 30% in Q4'08 as the 32" market subsides and plasma TV brands focus on the 50" + market where they remain more competitively priced than LCD.
- 1080p share of shipments dipped slightly from 25% in Q4'08 to 22% in Q1'09 as manufacturers focused on offering the lowest priced products to consumers, such as 42" and 50" 720p models, at a time when consumer price sensitivity continues to climb.
- As the 32" shipment share declined, most of the share was picked up at 50" with a smaller share increase at 42".
- 46" shipment share continues to struggle to rise over 3% of unit volume for two reasons. 42" and 50" HD products are priced at very compelling levels, and competitive 46" and 47" 1080p LCDs are priced similarly to 46" 1080p plasma, limiting growth.

"As bad as plasma unit shipments were in Q1'09 relative to a year ago, plasma panel revenues were even worse, declining 36% Y/Y as falling prices were needed to stem even steeper demand falloff," noted [Paul Gagnon](#), DisplaySearch Director of North America TV Market Research. "With future investment in capacity expansion on hold at almost every plasma panel maker except Panasonic, improvements in technology, such as greater luminance efficiency and more efficient manufacturing at existing fabs, will be the key areas of investment to maintain cost competitiveness against future LCD fab capacity expansion."

The top plasma panel suppliers on a unit basis were Panasonic at #1 with 37% share in Q1'09 and Samsung SDI at #2 with 31%, followed by LGE (26%). Since Hitachi and Pioneer will withdraw plasma module production in 2009, only three major panel makers are left in the plasma industry. As shown in the following table, the ranking in terms of revenues was the same with Panasonic's lead a little stronger due to a greater mix of 1080p. However, both Samsung and LGE are quickly increasing their 1080p production. Only Panasonic was able to achieve a slower level of revenue decline than the category average with LGE and Hitachi both falling more than 50% Y/Y.

Table 1: Plasma Panel Revenue Share and Growth by Supplier

Rank	Supplier	Q4'08 Share	Q1'09 Share	Q/Q Growth	Y/Y Growth
#1	Panasonic	50.3%	39.1%	-44%	-15%
#2	Samsung SDI	26.0%	31.1%	-14%	-37%
#3	LGE	15.7%	22.3%	-8%	-51%
#4	Pioneer	4.2%	4.3%	-21%	-40%
#5	Hitachi	3.8%	3.0%	-40%	-58%
#6	Orion	0.1%	0.1%	-10%	-37%
	Total	100.0%	100.0%	-28%	-36%

Source: [Quarterly Global TV Shipment and Forecast Report, Plasma and LCD TV Panel Shipment Module](#)

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 [Quarterly Global TV Shipment and Forecast Report, Plasma and LCD TV Panel Shipment Module](#). For information on any DisplaySearch report, contact Charles Camaroto for additional information at 1.888.436.7673 or 1.516.625.2452, or contact@displaysearch.com or contact your regional DisplaySearch office in China, Japan, Korea or Taiwan.

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