

■ Preliminary Q1'09 North America TV Results Show Surprisingly Strong LCD TV Demand; Vizio Rises to #1 in LCD TV

AUSTIN, TEXAS, May 11, 2009—Despite continued economic weakness, North American consumers continued their love affair with flat panel TVs as demand outpaced brand and retailer supply during the first quarter of 2009, leaving many retailers out of stock on some models. Following the first Y/Y quarterly decline in shipments during Q4'08, Q1'09 LCD TV shipments surged 23% Y/Y to 7.2M units according to preliminary results from the latest DisplaySearch [*Quarterly Global TV Shipment and Forecast Report*](#), as aggressive closeout pricing and Circuit City's liquidation brought consumers to retailers looking for bargains. In particular, discount channels seemed to prosper more than most as price sensitive consumers sought the lowest prices and convenient shopping. Also of note, Vizio returned to the #1 ranking in LCD TVs for the first time since Q2'07, overtaking Samsung and Sony in the process and improving their unit share from 13% to 19%.

"Vizio is a relatively young TV brand in the US marketplace, but their strong alignment with mass merchant and warehouse club retailers seemed to put them in the right place at the right time with growing channels," said [Paul Gagnon](#), DisplaySearch Director of North America TV Research. "As LCD TV panel makers quickly return to nearly full capacity and simultaneously push panel price increases, the industry will have to carefully monitor the impact that slower retail price declines may have on consumer demand during the second half of the year to avoid a potential repeat oversupply situation."

Funai, another company that predominantly sells value priced products to discount retail channels, also saw their share improve from Q4'08 to Q1'09, rising from 7% to 8.5%, with shipments nearly unchanged from the previous quarter. Funai sells the Sylvania and Emerson brands in North America, as well as the Philips and Magnavox brands since last quarter. Premium brands like Samsung and Sony lost share as consumers became more price sensitive, looking both for better value and smaller screen sizes than last quarter. The premium brands are stronger in the 40" and larger screen sizes, as well as offering advanced features such as 1080p resolution, 120 Hz or higher frame rates, and higher-quality image processing—all of which add to the retail price.

Additional highlights for the quarter:

- North America LCD TV shipments increased by 23% Y/Y from Q1'08 to Q1'09, but fell 18% from Q4'08 on seasonal effects, though the decline was milder than most years due to a weak 2008 holiday season. Despite continued weakness in the US economy from a continuing recession, consumers were clearly still looking for post-holiday deals, and most pricing was relatively close to holiday levels as retailers continued trying to entice consumers. 32" LCD TVs were a particularly bright area, rising 41% Y/Y and only declining 5% Q/Q, with many prices at or below \$500. 40"+ LCD TV shipments fell a greater than average 25% Q/Q, showing no unit share growth from Q1'08, even though Q1 is usually a strong quarter for larger sizes due to the Super Bowl.
- Plasma TV shipments were exactly as strong as forecasted, falling 50% Q/Q and 5% Y/Y to 672K units. Plasma TVs were strong sellers during the holiday season, with good price-per-inch value, but several TV brands were exiting the category in Q1. 50" sets fared a little better than 42" models, declining by only 2% Y/Y rather than 6% Y/Y for 42".
- Vizio rose to become the #1 in LCD TV shipments with their market share improving to 18.9%, a new high for the brand. The company was also the only LCD TV brand among the top five to see shipments grow from Q4'08 to Q1'09, rising 21%, and had the strongest Y/Y growth, up 79% from Q1'08 to Q1'09. The strong LCD TV shipment growth offset a 35% Y/Y decline in Plasma TV shipments, as the brand announced a shift to an LCD-only TV lineup beginning in Q2'09. Vizio's combined LCD TV and plasma TV shipments ranked #2 behind Samsung by less than 27K units.
- Samsung fell to #2 in LCD TV after four straight quarters of leadership, as their share fell from a record 19.2% in Q4'08 to 17.4%. However Samsung still exhibited strong annual growth in Q1, as shipments rose 61% Y/Y. Samsung was the #2 plasma TV brand behind Panasonic with a 27% share of that segment. This, combined with their #2 LCD TV share, gave them the top overall flat panel TV brand share at 18.2%. Samsung continued to focus on larger screen sizes and remained the 40"+ and 1080p LCD TV market leader followed by Sony and Vizio.
- Sony was the #3 LCD TV brand in North America with 36% Y/Y shipment growth and was ranked #3 in overall flat panel share, despite not participating in the plasma TV market segment.
- Panasonic remained the plasma TV market leader by a considerable margin over Samsung,

despite losing about 8 points of unit share.

More extensive Q1'09 results can be seen in the following tables.

Table 1: Preliminary Q4'08 – Q1'09 NA Total Flat Panel TV Unit Share and Growth

| Rank | Brand | Q4'08 Unit Share | Q1'09 Unit Share | Q/Q Growth | Y/Y Growth |
|------|---------|------------------|------------------|------------|------------|
| 1 | Samsung | 20.4% | 18.2% | -30% | 56% |
| 2 | Vizio | 12.3% | 17.9% | 13% | 69% |
| 3 | Sony | 14.2% | 13.2% | -27% | 36% |
| 4 | LGE | 9.1% | 8.1% | -31% | 13% |
| 5 | Funai | 6.1% | 7.8% | -1% | 35% |
| | Other | 38.0% | 27.7% | -30% | -13% |
| | Total | 100.0% | 100.0% | -22% | 20% |

Source: DisplaySearch [Quarterly Global TV Shipment and Forecast Report](#)

Table 2: Preliminary Q4'08 – Q1'09 NA LCD TV Unit Share and Growth

| Rank | Brand | Q4'08 Unit Share | Q1'09 Unit Share | Q/Q Growth | Y/Y Growth |
|------|---------|------------------|------------------|------------|------------|
| 1 | Vizio | 12.8% | 18.9% | 21% | 79% |
| 2 | Samsung | 19.2% | 17.4% | -26% | 61% |
| 3 | Sony | 16.3% | 14.5% | -27% | 36% |
| 4 | Funai | 7.0% | 8.5% | -1% | 35% |
| 5 | Sharp | 8.0% | 7.9% | -20% | 6% |
| | Other | 36.6% | 32.9% | 26% | 8% |
| | Total | 100.0% | 100.0% | -18% | 23% |

Source: DisplaySearch [Quarterly Global TV Shipment and Forecast Report](#)

Table 3: Preliminary Q4'08 – Q1'09 NA Plasma TV Unit Share and Growth

| Rank | Brand | Q4'08 Unit Share | Q1'09 Unit Share | Q/Q Growth | Y/Y Growth |
|------|-----------|------------------|------------------|------------|------------|
| 1 | Panasonic | 46.9% | 38.7% | -59% | 5% |
| 2 | Samsung | 27.8% | 27.0% | -52% | 29% |
| 3 | LGE | 7.0% | 11.9% | -16% | -17% |
| 4 | Vizio | 9.1% | 7.2% | -61% | -35% |
| 5 | Sanyo | 2.1% | 7.1% | 71% | 191% |
| | Other | 7.0% | 8.1% | -42% | -59% |
| | Total | 100.0% | 100.0% | -50% | -5% |

Source: DisplaySearch [Quarterly Global TV Shipment and Forecast Report](#)

DisplaySearch's TV market intelligence, including panel and TV shipments, TV shipments by region by brand by size and more for nearly 60 brands, rolling 16-quarter forecasts, TV cost/price forecasts and design wins can be found in its [Quarterly Global TV Shipment and Forecast Report](#). For more information on this report, please contact Charles Camaroto 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.

Don't forget to register for SID's *Business Conference*, co-hosted by DisplaySearch and SID, during the SID *Display Week* to gain additional insight into the TV market during Paul Gagnon's presentation. To view the full agenda for the SID *Business Conference* and presentation abstracts, visit <http://www.sid.org/conf/sid2009/business.html> or to register visit <http://www.sid.org/conf/sid2009/registration.html>

Visit DisplaySearch at Booth #726 during SID's *DisplayWeek*, May 31-June 5 in San Antonio, Texas. Media interested in scheduling a briefing during the show or in need of market data for their SID articles should contact Stacey Voorhees-Harmon at stacey@savvypublicrelations.net or call 925-336-9592.

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