DisplaySearch Revises Worldwide TV Forecasts; LCD TV Demand Outlook Raised After Good Q1'09 Result and Strong Outlook in China

AUSTIN, TEXAS, June 17, 2009—Better than expected results in Q1'09 for developed markets, especially for LCD TVs, together with increased stimulus spending by governments, particularly in China, have improved the outlook for TV demand in 2009. Although total TV shipments are still projected to decline slightly to near 200M units worldwide, LCD TV is still poised for unit growth. DisplaySearch has raised the forecast for 2009 worldwide LCD TV sales from 120 million to 127 million units, as LCD takes share from CRT at a faster pace and the global TV market hurries along in the transition to flat panel technologies. Despite this, LCD TV revenues are still projected to decline about 6% in 2009 due to price erosion and the strong shift in volume to discount retail channels, such as Walmart in the US. This is a much shallower decline than previously forecast due to faster growth of advanced technologies like 120/240 Hz and LED backlight models.

Several key findings from the DisplaySearch Q2'09 *Quarterly Advanced Global TV Shipment and Forecast Report* have been revised:

LCD TVs

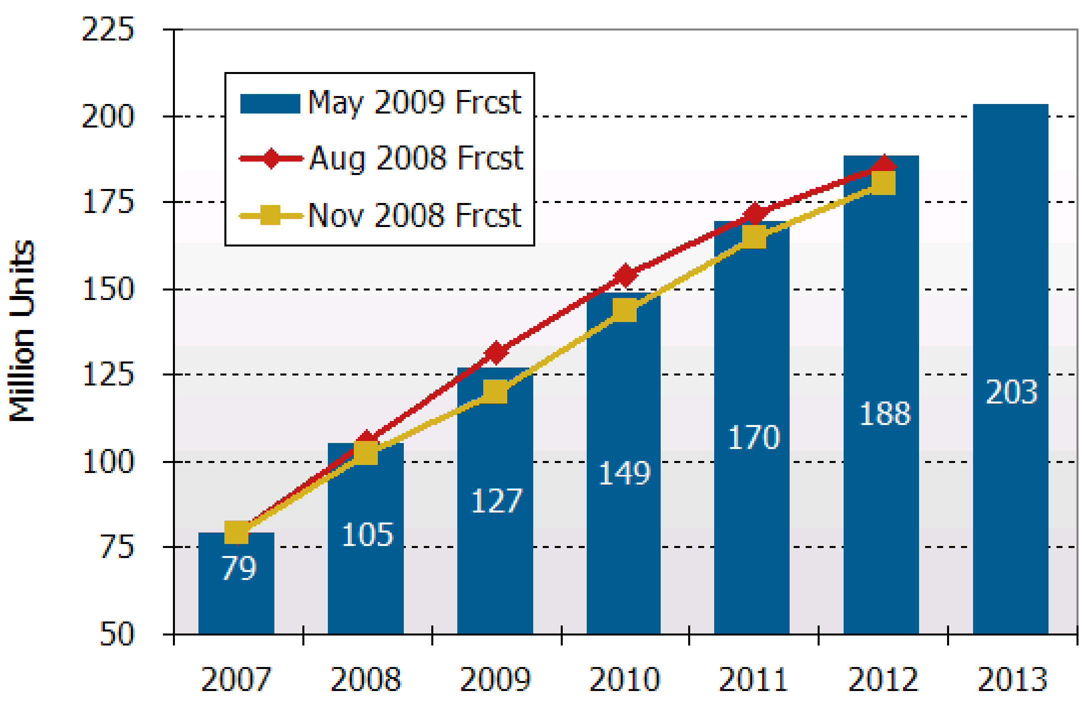
Developed markets are starting 2009 with strong growth and emerging markets are transitioning from CRT to LCD faster than expected. DisplaySearch's 2009 LCD TV unit forecast is increased from 120 million units to 127 million units, a 21% growth over 2008 and a 63% share of global TV shipments. The 2009 revenue outlook was increased from $66B to $76B, primarily based on rising LCD panel costs since April that will drive slower ASP erosion in the second half of 2009.

"This is good news for global LCD TV revenues overall, but could have a negative impact on demand in developed markets, like North America where consumers are more sensitive to sale promotions and prices" noted Paul Gagnon, Director of North America TV Research. "Still, emerging markets offer tremendous growth opportunity, even at current price levels, and the slower ASP declines shouldn't have a strong impact on rising demand."

The 2009 LCD TV forecast for China was increased from 18.8 million units to 23.6 million units as the Chinese government fortified their rural home appliance purchase subsidy program and introduced additional incentives to consumers trading up from CRT to LCD in urban areas.

After the disastrous impact of the recession on global TV demand in Q4'08, DisplaySearch reduced its forecasts to account for uncertainty in the future economic outlook, as shown in Figure 1 below. The revised forecast reflects the signs of life returning to the TV market.

Figure 1: Q2'09 LCD TV Unit Forecast Revision

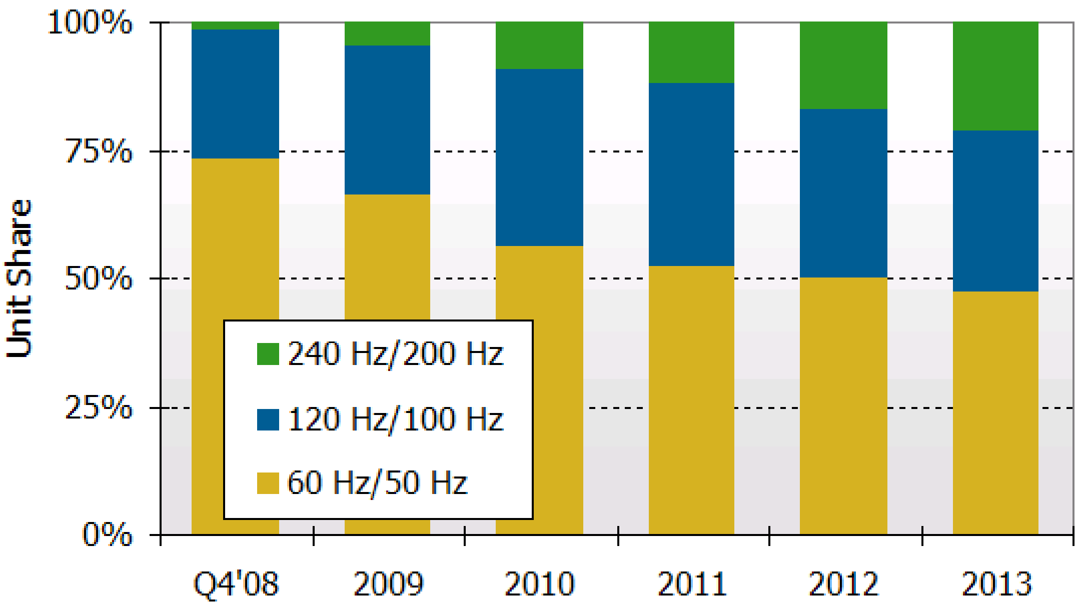


Source: *Quarterly Advanced Global TV Shipment and Forecast Report*

DisplaySearch is also now tracking shipments of 120 Hz and 240 Hz frame rate LCD TVs in 2009.

According to Vice President of TV Market Research Hisakazu Torii, "The shift to higher frame rates is critical to LCD TV manufacturers for increasing both performance and profitability, especially considering the rapid pace of commoditization in the category." 120 Hz frame rate models will account for 29% of LCD TV revenues worldwide in 2009, while 240 Hz will grab about 5% of revenues. By 2013, 120 Hz will account for 31% of LCD TV revenues, while 240 Hz accounts for more than 20%."

Figure 2: Worldwide 30"+ LCD TV Revenue Share by Frame Rate



Source: *Quarterly Advanced Global TV Shipment and Forecast Report*

Plasma TVs

Plasma (PDP) TV is expected to fall about 2% Y/Y to 14.1 million in 2009 after strong 28% growth in 2008. This outlook is down slightly from DisplaySearch's previous forecast as a result of increased consumer preference overall for sub-40" screen sizes amid heightened price sensitivity during the recession. 1080p penetration continues to rise, accounting for 32% of plasma TV shipments in 2009, but quickly accelerating to more than 50% in 2010 and 80% by 2013.

DisplaySearch's total global TV forecast is 200.4 million units in 2009, down 3% Y/Y, the first decline in total shipments in recent memory as the global recession and rising unemployment continue to take a toll on demand. But the slowdown will be temporary as the worldwide economy emerges from recession and new markets enter the initial stages of the flat panel and digital TV transition.

The DisplaySearch Q2'09 *Quarterly Advanced Global TV Shipment and Forecast Report* includes panel and TV shipments by region and by size for nearly 60 brands, and also includes rolling 16-quarter forecasts, TV cost/price forecasts and design wins. Beginning in Q1'09 the report also now provides detail on 60/120/240 Hz LCD TV frame rates by size and resolution, including TV cost modeling for both 60 Hz and 120 Hz sets. This report is delivered in PowerPoint and includes Excel pivot tables. If you need further information or assistance please contact us at +1.512.687.1511 or sales@displaysearch.com or at the local DisplaySearch offices in China, Japan, Korea, Taiwan and the United Kingdom.

Learn more about the DisplaySearch outlook on the TV market during its *TV Ecosystem Conference: TV After the Digital Transition—Finding the Next Big Thing*, to be held Wednesday, September 2, 2009 in San Jose, California. The conference will feature presentations from representatives from display and TV manufacturers, branded vendors, semiconductor design, retailers/channel participants, content developers and wireless/connectivity providers—exploring how new forms of content and connectivity could drive renewed growth in hardware. This one-day event will also cover the latest market trends and forecasts, TV connectivity and its role in the digital ecosystem, regional trends, and emerging technologies and features. Visit www.displaysearch.com/

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