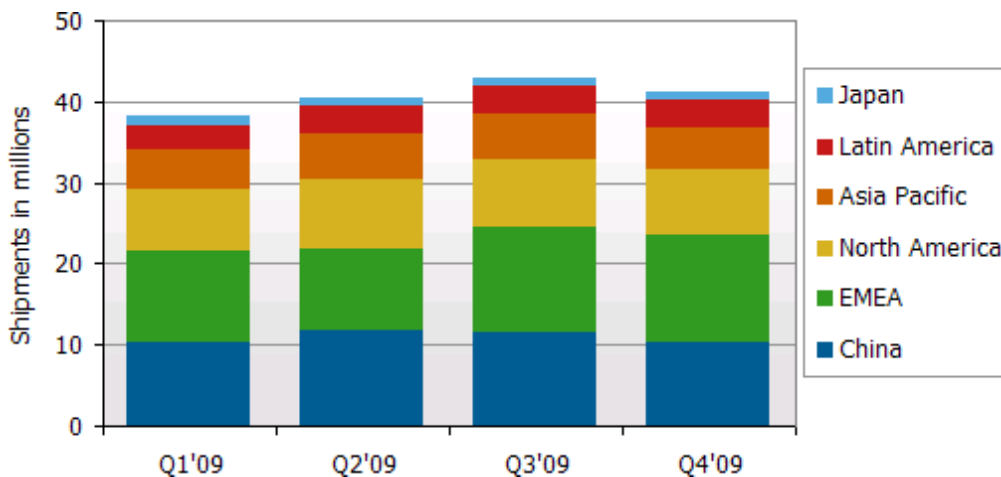


■ China Becomes Top Market for LCD Desktop Monitors

AUSTIN, Texas, October 7, 2009—LCD desktop monitor shipments rose almost 6% sequentially in Q2'09 to 40.5M units in the period, with China becoming the world's largest market for the quarter and for 1H'09, according to the DisplaySearch Q3'09 [Quarterly Desktop Monitor Shipment and Forecast Report](#). While DisplaySearch expects that EMEA will regain its lead in the LCD desktop monitor market in 2H'09—due to seasonality, a more stable global economy, and the end of successful Chinese rural subsidy programs—China's presence in the worldwide landscape for IT products is here to stay.

Figure 1: 2009 LCD Monitor Regional Unit Shipments



Q3'09 and Q4'09 are forecasts.

Source: DisplaySearch [Quarterly Desktop Monitor Shipment and Forecast Report](#)

Unlike other regions, China's domestic LCD monitor business has a close correlation to its desktop PC sales, as the lack of a historical installed base of PCs means a smaller upgrade market. In regions where the PC market is more mature, companies and consumers often purchase new monitors as an upgrade to their current PC. Organic growth in China was stimulated by such recent programs as the rural subsidy program that provided discounts of as much as 13% for home electronics equipment (including personal computers) for buyers outside of China's large cities.

"While China is following the worldwide trend toward mobile computing, the region's PC business is still heavily concentrated on desktop PCs, as opposed to notebook PCs, which makes the market favorable for stand-alone monitors," noted [Chris Connery](#), DisplaySearch Vice President of PC and Large Format Commercial Displays. "Markets such as the US and Europe now see notebook PCs and mini-notes/netbooks outpacing desktops with penetration rates of as high as 60%."

A distinctive feature of the Chinese desktop PC market is the prevalence of build-to-order solutions (sometimes referred to as DIY for "do it yourself"), where the monitor is one of the components. This opens up greater opportunities for non-PC monitor brands. Analysis of the brands being purchased with such customized PC solutions reveals that AOC was the top desktop monitor brand shipped into China for domestic PC sales in Q2'09, beating China's domestic PC brand leader Lenovo and showing the continued strength of China's DIY market. AOC is the main brand of TPV, the largest OEM producer of LCD monitors (with almost one-fourth of the market), not only for its own brand but also for partners including most of the world's largest PC and monitor companies, like HP, Acer, Lenovo, Dell and Founder.

Table 1: Q2'09 Top 10 China Domestic LCD Monitor Brand Shipments and Growth

Q2'09 Rank	Brand	Q2'09 Share	Q/Q Growth	Y/Y Growth
1	AOC	14.5%	-9%	169%
2	Lenovo	14.3%	35%	-7%
3	Samsung	12.0%	0%	57%
4	Great Wall	7.1%	42%	NA
5	HP	6.6%	43%	36%
6	Dell	5.8%	33%	-13%
7	BenQ	5.8%	3%	94%
8	Acer	5.5%	10%	10%
9	Founder	5.3%	31%	NA
10	LGE	4.4%	9%	103%
	Others	18.7%	4%	18%
	Total	100.0%	14%	53%

Source: DisplaySearch Q3'09 [Quarterly Desktop Monitor Shipment and Forecast Report](#)

Looking ahead, DisplaySearch expects that the October China holiday season will continue to foster strong PC monitor sell-through in the region. Leading indicators, however, show that the region is already well stocked to meet demand. Furthermore, rising panel pricing in the second and third quarters will limit re-stocking shipments into the region and make the overall global market challenging in Q4'09 and in 2010.

In an attempt to overcome a pending over-supply in the space and subsequent potential price crash, vendors are re-evaluating new technologies and platforms to re-invigorate PC monitor sales in the coming quarters. One such technology is LED backlighting for LCD monitors. While LED backlighting has clear benefits for portable PCs—allowing them to be thinner, lighter and to consume less battery power—the use of LED backlights for desktop monitors is a question of costs vs. benefits. Some brands are already offering LED-backlit LCD monitors for only a small premium over their equivalent products with CCFL backlights, promoting the green aspects of the technology to consumers and businesses.

In terms of new platforms, PC and monitor vendors continue to roll out new all-in-one PCs (AIO-LCD PCs). While many new AIO-LCD PCs have been announced, panel shortages in the first three quarters of the year prevented most companies from full worldwide launches, especially for new lower-priced products. With panel supplies now becoming less constrained, many companies have plans to introduce a significant portfolio of AIOs in 2010 in a wide assortment of price points, with many planning on targeting specific markets such as the China domestic market. In the near term, however, rising panel prices in recent quarters may prevent AIO companies from reaching the price points necessary to create a desktop version of the mini-note or netbook (AIOs are often referred to as nettops) until later next year.

The DisplaySearch [Quarterly Desktop Monitor Shipment and Forecast Report](#) includes shipment and forecast data for LCD monitors, CRT monitors, LCD PCs and TFT LCD monitor modules, as well as cost forecasts of TFT LCD monitor modules, LCD monitor interface electronics and LCD monitors. The report is delivered in PowerPoint and includes Excel pivot tables. For more information, contact Charles Camaroto at 1.888.436.7673 or 1.516.625.2452, email contact@displaysearch.com, or contact your regional DisplaySearch office in [China, Japan, Korea or Taiwan](#).

About DisplaySearch

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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/>
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