

■ Global TV Shipment Growth Recovered in Q3; First Quarter of Y/Y Growth in a Year

AUSTIN, TEXAS, November 18, 2009—Global TV shipments showed a spark of recovery in Q3'09 amid an easing global economic recession, reports DisplaySearch in its latest [Quarterly Global TV Shipment and Forecast Report](#). Total unit volume increased on a year-over-year (Y/Y) basis for the first time since Q3'08, rising 1% to 54.9 million units. LCD TVs have been enjoying strong growth all year after becoming the leading technology on a unit basis, but their growth has not offset the rapid decline in shipments of CRT TVs until now. LCD TV shipments worldwide increased 38% Y/Y, exceeding DisplaySearch's expectations, to reach a record 37.5 million units. Government stimulus programs in China and Japan, as well as continued high levels of price erosion, contributed to excellent unit growth in LCD TVs, with double digit Y/Y growth in every region except Eastern Europe. Based on strong Q3 shipments, DisplaySearch now expects 2009 total LCD TV shipments could reach 140M units worldwide.

Despite the robust unit growth of LCD TVs and the return to positive Y/Y growth overall, revenue growth continues to be elusive. Total TV revenues were down for the fourth straight quarter, falling 10% Y/Y to US\$26.2 billion. For the LCD TVs segment, the spread between unit growth and revenue growth was even more dramatic, as worldwide LCD TV revenues grew just 1% Y/Y compared with 38% Y/Y unit growth.

"The dramatic difference between strong unit growth and weak revenue growth is a problem for the TV industry," noted [Paul Gagnon](#), Director of North America TV Research for DisplaySearch. "The strong unit demand from consumers is predicated upon attractive retail prices in the current economic environment, but manufacturers and retailers can't keep up price declines forever, as production costs fall more slowly and new advanced features require modest to high price premiums."

Average selling prices for LCD TVs fell 27% Y/Y, more than twice as much Y/Y as the overall average. This decline in average prices comes despite the fact that LCD panel prices, a key cost driver of LCD TVs, have been rising for most of 2009. The result is a compression of margin at the OEM, brand and reseller levels as all stakeholders try to keep consumer interest high by moving prices lower. In addition, consumers remain very price-sensitive, so they are settling for more modest screen sizes, causing average size growth to grind to a halt in 2009, which has a direct impact on overall average prices. Even the introduction of advanced technologies like LED backlights and networking have not been able to ease price erosion.

Table 1: Q3'09 Worldwide TV Shipments by Technology (000s)

Technology	Q3'09 Units	Q3'09 Unit Share	Q/Q Growth	Y/Y Growth
LCD TV	37,514	68.4%	24%	38%
PDP TV	3,594	6.5%	17%	-5%
OLED TV	0.2	0.0%	-72%	-82%
CRT TV	13,725	25.0%	20%	-41%
RPTV	33	0.1%	-3%	-64%
Total	54,867	100%	22%	1%

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

China and Japan Use Stimulus Programs to Drive Sales

China and Japan are driving excellent growth in flat panel TV sales right now through government stimulus programs that encourage adoption of flat panel TVs. China is engaging in several stimulus programs designed to push adoption of new technologies in rural markets, as well as encourage upgrades to energy efficient appliances in top-tier cities. Both proved to be strong drivers of Golden Week Sales in October. In Japan, the Eco-Points program rewards consumers of highly energy-efficient electronics with points that can be spent on merchandise and gift certificates. Japan's LCD TV Y/Y shipment growth rate reached the highest level in over three years, which is impressive for a country that completed the transition from CRT to flat panel TVs earlier than anywhere else.

Samsung Leads Global Brands, but Value Brands and Chinese Brands Showing Peak Growth

Samsung remained the global brand share leader in terms of revenues for the fifteenth straight quarter, but lost about a point of share, to 21.9%, as Q/Q growth lagged that of many

competitors. LGE remained #2 for the second straight quarter after surpassing Sony in Q1'09, also seeing a slight decline in share to 12.9%. Sony remained #3 worldwide on a revenue basis, but fell below 10% share and was one of the two brands experiencing a Q/Q revenue decline during a seasonally strong quarter.

A complete review of the top five global TV brands can be seen in Table 2.

Table 2: Q3'09 Worldwide TV Brand Rankings by Revenue Share

Rank	Brand	Q2'09 Share	Q3'09 Share	Q/Q Growth	Y/Y Growth
1	Samsung	23.1%	21.9%	5%	-12%
2	LGE	13.7%	12.9%	4%	8%
3	Sony	11.9%	9.9%	-8%	-33%
4	Panasonic	8.7%	9.1%	17%	-5%
5	Sharp	5.9%	5.9%	12%	-33%
	Other	36.7%	40.3%	22%	-2%
	Total	100.0%	100.0%	11%	-10%

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

North America saw significant brand turbulence in Q3'09. Samsung remained the leading overall TV brand on a unit and revenue basis, but Funai overtook Vizio on a unit basis to rise to #2. On a total revenue basis, Panasonic climbed two spots to #2, overtaking Sony and Vizio, on strengthening LCD and plasma revenues. Overall, market growth in North America is heavily biased towards value brands aligned with discount sales channels.

China remains a very competitive market as well, one dominated by domestic brands. The top six LCD TV brands on a unit basis are all Chinese and collectively accounted for nearly 80% of all units shipped to the region in Q2'09; they are also strong exporters. Each of the top 10 brands in China enjoyed strong double-digit Q/Q unit growth in LCD TVs, ranging from 18% to 91%. Skyworth was the #1 brand on a unit and revenue basis, but each of the top three brands were within 5 percentage points of each other on a unit basis. The government stimulus program also favors local brands, which offer lower prices and qualify more models under the government set price ceiling.

DisplaySearch's TV market intelligence including panel and TV shipments, TV shipments by region by brand by size 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, contact Charles Camaroto at 1.888.436.7673 or 1.516.625.2452 or email contact@displaysearch.com, or contact your regional DisplaySearch office in [China, Japan, Korea or Taiwan](#).

To keep up-to-date on the latest information on consumer spending this holiday season and insight from The NPD Group and DisplaySearch analysts visit www.holidaymarketresearch.com/. The DisplaySearch *Black Friday Results and 2010 Outlook Webinar* will be held on Friday, December 11. For more information and to register, visit www.displaysearch.com/blackfriday. Media interested in attending this year's webinar should contact Stacey Voorhees-Harmon at stacey@savvypublicrelations.net or call 1.925.336.9592.

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