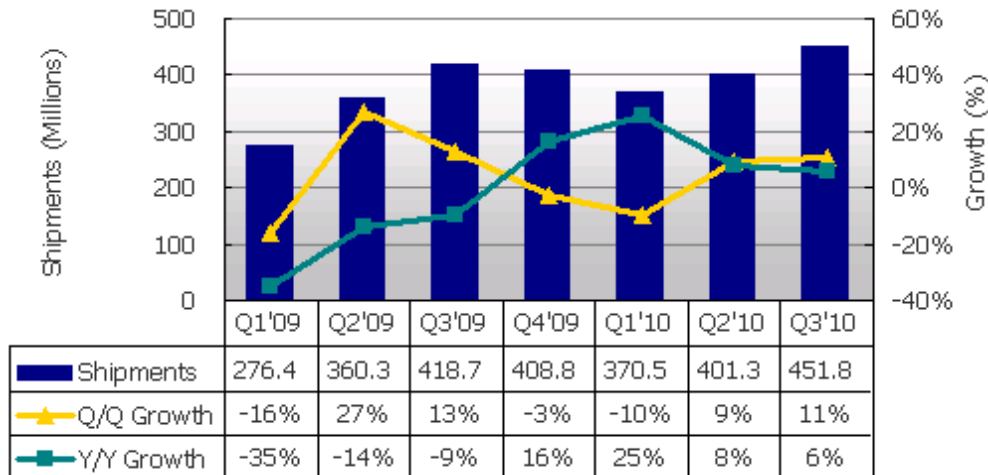


Touch Displays in Smart Phones Spur Demand for Larger Screen Sizes

Santa Clara, Calif., August 10, 2010—After only 4% growth in 2009, the mobile phone display market is set to grow by 14% in 2010, with shipments forecast to reach 1.68B units, according to the latest DisplaySearch [Quarterly Mobile Phone Shipment and Forecast Report](#). In Q1'10, mobile phone display shipments fell 9% Q/Q due to seasonality, but increased 34% Y/Y, reaching 370.5M units (Figure 1).

Figure 1: Mobile Phone Display Shipment and Forecast



Source: DisplaySearch [Quarterly Mobile Phone Shipment and Forecast Report](#)

“With an average worldwide market penetration of mobile phones at 70%, manufacturers are eager to introduce new features, applications and user interface improvements, such as touch screens, to ensure continued growth for this segment this year,” noted Calvin Hsieh, research director at DisplaySearch. “The migration of various display panel technologies and increasing average display sizes reflects these trends.”

The fall in shipments, combined with a 4% Q/Q decline in average selling price, produced a 13% Q/Q revenue decline. Active matrix OLED (AMOLED) displays were the only technology for which revenues increased Q/Q, as both unit shipments and average prices increased Q/Q. This reflects the success AMOLED is finding in high-end smart phones. These phones are demanding larger display sizes, and in Q1, the average screen size for AMOLED passed 3”, larger than TFT LCDs.

Additional report highlights:

Revenue for small/medium TFT LCD displays grew 22% to \$2.33B in Q1'10, as a result of mobile phone manufacturers switching from CSTN displays to TFT LCD. Despite this, falling ASPs and oversupply limited the total revenue growth.

In Q2'10, Tianma replaced Truly as the #1 supplier in China. Following the merger of TPO, ChiMei and InnoLux, the new Chimei Innolux replaced Wintek as the #1 supplier in Taiwan. Despite Wintek's performance this quarter, the company has announced that touch modules will account for more than 60% of its revenue in 2010.

a-Si TFT LCD is replacing CSTN with a shrinking price gap and better display performance. DisplaySearch forecasts its share to represent more than 60% of mobile phone shipments in 2011. In addition, LTPS TFT LCD, which is widely used for high end models, is being designed into name brands, and its share will be maintained at around 20%.

Based on the DisplaySearch analysis of Y/Y growth for Q1'10, LTPS TFT LCD, which grew 7.7%, and AMOLED, which grew 8.5%, both have experienced significant growth in touch-enabled displays, which require larger panel sizes. At the same time, a-Si TFT LCD grew 2.3%, and is generally used within the range of entry-level to high-end phones.

Table 1: Shipment Share of Mobile Phone Main Display by Technology

Sum of / Unit Share (%)	2009	Q1'10
a-Si TFT LCD	52.3%	59.2%
CSTN	20.3%	15.3%
LTPS TFT LCD	20.4%	17.6%
AMOLED	1.4%	1.9%
MSTN	5.6%	6%
PMOLED	0.1%	0%

Source: DisplaySearch [Quarterly Mobile Phone Shipment and Forecast Report](#)

Based on detailed supplier surveys, DisplaySearch small/medium displays research examines shipment, revenue, and pricing data by key metrics, including market application, size, resolution, technology and supplier. Available research includes four quarterly reports focusing on different aspects of the market. The comprehensive [Quarterly Small/Medium Shipment and Forecast Report](#) provides full market analysis while the [Quarterly Small/Medium Pricing Report](#), [Quarterly Mobile Phone Shipment and Forecast Report](#) and [Quarterly Small/Medium Value Chain Report](#) focus on ASPs, mobile phone displays, and market share data, respectively.

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