

## Q1'11 Large-Area TFT LCD Shipments Decline by 7% , Revenues Fall 12%

SANTA CLARA, Calif., May 11, 2011—Q1'11 shipments of large-area TFT LCD (larger than 9.1") fell to 164 million units, down 7% Q/Q, but up 5% Y/Y. Revenues for the quarter were \$17.5 billion, falling 12% Q/Q, and down 19% Y/Y. According to the latest [Quarterly Large-Area TFT LCD Shipment Report](#), LCD panel manufacturers are targeting an aggressive 18% shipment growth in Q2'11, as panel demand increases due to low inventories in the supply chain and as capacity utilization rates gradually rise.

"The TFT LCD industry has been experiencing an over-supply for more than 12 months and Q1'11 is viewed as rock bottom of this cycle, a result of shipment declines, falling panel prices, and suppliers reducing capacity utilization rates due to a lack of orders and inventory reduction. Excess shipments of LCD TV panels in 2H'10 were the major cause for such a long period of oversupply," noted [David Hsieh](#), Vice President of Greater China Market for DisplaySearch. "However, panel prices started to stabilize at the end of the quarter," Hsieh added.

DisplaySearch research shows that the over-supply situation started to change at the end of March. Reflecting the tightness, the industry is experiencing price increases for several mainstream sizes. TFT LCD capacity utilization is recovering, along with the panel price increases, and the aggregation of targets shows 18% Q/Q shipment growth for Q2'11.

Hsieh warned, "The forecasted 18% Q/Q growth in Q2'11 might be too aggressive because the current tightness is mostly resulting from supply constraints rather than strong demand. LCD panel manufacturers will need to see whether panel orders continue to increase based on optimism for the second half of the year."

All applications experienced Q/Q decline except public display panels, which were flat. Tablet and mini-note PC panel shipments fell 7% Q/Q, LCD TV suffered the largest Q/Q decline of 13%, and LCD monitor panels fell by 5% Q/Q. Since Q3'10, prices for LCD monitor and notebook PC panels have been falling continuously, finally experiencing some stabilization in March. Due to component constraints and production issues, 9.7" tablet PC panel shipments declined Q/Q, from 8.2 million units in Q4'10 to 7.4 million units in Q1'11.

Table 1: Q1'11 Large-Area TFT LCD Shipments by Application (Millions)

Application	Q1'10 Shipments	Q4'10 Shipments	Q1'11 Shipments	Q/Q Growth	Y/Y Growth
LCD Monitor	49.5	51.9	49.5	-5%	0%
Notebook PC	42.5	45.3	44.0	-3%	4%
Mini-Note/Tablet	10.4	18.3	17.0	-7%	63%
LCD TV	50.9	57.5	50.1	-13%	-2%
Public Display	0.4	0.5	0.5	0%	27%
Others	2.5	2.8	2.8	0%	1%
Total	156.2	176.3	163.8	-7%	5%

Source: DisplaySearch [Quarterly Large-Area TFT LCD Shipment Report](#)

On a revenue basis, all applications experienced Q/Q declines due to falling panel prices in Q1'11. LCD TV had the worst decline, falling 17% Q/Q and 22% Y/Y. Thanks to growth in tablet PCs, the mini-note/tablet segment was the only application showing Y/Y growth. However, as a result of panel price increases in Q2'11, and increasing shipments, panel makers are now targeting 22% revenue growth in Q2'11.

Table 2: Q1'11 Large-Area TFT LCD Revenues by Application (Billions)

Application	Q1'10 Revenues	Q4'10 Revenues	Q1'11 Revenues	Q/Q Growth	Y/Y Growth
LCD Monitor	\$4.5	\$3.6	\$3.5	-2%	-22%
Notebook PC	\$2.7	\$2.1	\$2.1	-2%	-23%
Mini-Note/Tablet	\$0.4	\$0.9	\$0.9	-9%	118%
LCD TV	\$13.5	\$12.7	\$10.6	-17%	-22%
Public Display	\$0.2	\$0.2	\$0.2	0%	-2%
Others	\$0.3	\$0.3	\$0.3	-5%	-1%
Total	\$21.6	\$19.9	\$17.5	-12%	-19%

Source: DisplaySearch [Quarterly Large-Area TFT LCD Shipment Report](#)

The Advanced LED version of the [Quarterly Large-Area TFT LCD Shipment Report](#) covers the entire

range of large-area panels shipped worldwide and by region, with LED-backlit panels featured. With 100% coverage of panel makers and authored by industry experts, the [\*Quarterly Large-Area TFT LCD Shipment\*](#) analyzes historical shipments and forecast projections to provide some of the most detailed information and insights available. The report is delivered in Excel pivot tables, flex spreadsheet and PowerPoint analysis. For more information, contact Charles Camaroto at 1.888.436.7673 or 1.516.625.2452, e-mail [contact@displaysearch.com](mailto:contact@displaysearch.com) or contact your regional DisplaySearch office in [China, Japan, Korea or Taiwan](#).

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