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DisplaySearch Revises Worldwide TV Forecasts; LCD TV Revenue Expected to Fall Y/Y for the First Time in LCD TV History

AUSTIN, TEXAS, December 17, 2008—With the ongoing economic turmoil unlikely to improve in 2009, DisplaySearch has dramatically revised its TV market forecast for 2009, especially for the fastest-growing LCD TV category. As shown in the DisplaySearch Q4'08 *Quarterly Global TV Shipment and Forecast Report*, worldwide revenues are expected to fall year-on-year for the first time since LCD TV was launched in 2000. The key factors are reductions in forecasted TV prices and revised forecasts for Y/Y shipment growth for LCD and PDP TVs in 2009, down by 7 and 6 points from previous, respectively. LCD TV revenues are forecast to fall 16% Y/Y to $64 billion in 2009, and total TV revenues will fall 18% Y/Y to $88 billion. DisplaySearch expects that 2009 will be the most difficult year yet for the TV industry and supply chain.

Several key findings from the DisplaySearch Q4'08 *Quarterly Global TV Shipment and Forecast Report* have been revised:

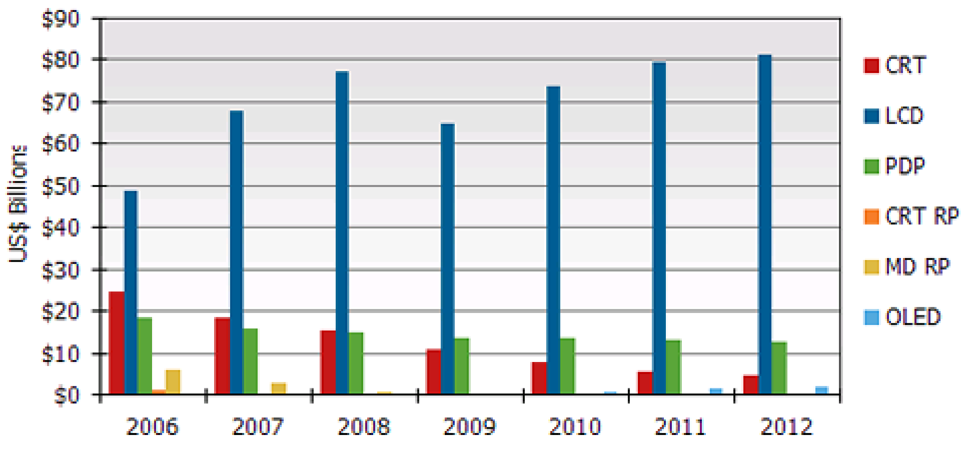
LCD TVs

The LCD TV market is expected to reach 102.2M units in 2008, which would be 29% Y/Y growth; this is a reduction of 3.6M from the Q3'08 forecast for 2008. In 2009, the LCD TV market is forecast to reach 119.9M units, for 17% Y/Y growth; this has been reduced by 11.5M units from the Q3'08 forecast for 2009. Unit growth in developed regions such as Japan, North America and Western Europe will be just 2% Y/Y, largely due to the impact of the economic crisis. DisplaySearch forecasts that LCD TV growth in emerging regions will be 45% Y/Y in 2009, lower than the 68% Y/Y growth in 2008. As CRT TV penetration in these emerging regions is 60-70%, the shift to FPD TV continues to be driven by price reductions.

Plasma TVs

Plasma (PDP) TV is expected to grow 24% Y/Y to 13.9M in 2008, largely unchanged from the Q3'08 forecast for 2008. This segment is expected to grow 5% Y/Y in 2009, to 14.6M units, reduced by 5% from the Q3'08 forecast for 2009. This is primarily due to the rapid decline in prices of 32" LCD TVs. Another factor is the smaller number of PDP players in the market as a result of aggressive pricing from the top PDP TV brands.

Figure 1: Revised TV Revenues by Technology



DisplaySearch's total global TV forecast is 206.4M units in 2008, up 3% Y/Y; 2009 shipments are forecast to be 205.3M units, down 1% Y/Y—the first time in recent memory that there has been a drop in unit shipments.

In addition to a reduction of units, the revenue decline in 2009 will affect the TV supply chain in 2009. Without revenue growth, top brands may aim to increase their market share to maintain revenue, causing challenges for lower-tier players. TV brands, as well as panel manufacturers and material suppliers, will need to aggressively increase 1080p penetration (even for 32"/37" sizes), and accelerate penetration of 120 Hz and differentiated products such as Ultra Slim FPD TVs in order to maintain ASPs.

The DisplaySearch Q4'08 *Quarterly 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. 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.

DisplaySearch's latest TV shipment and forecast results will be one of many topics discussed at its upcoming *US FPD Conference*, to be held March 2-4, 2009 in San Diego, California. For more information or to register, please visit www.displaysearch.com/usfpd

About DisplaySearch
DisplaySearch, an NPD Group Company, has a core team of 59 employees located in Europe, North America and Asia who produce a valued suite of FPD-related market forecasts, technology assessments, surveys, studies and analyses. Visit the DisplaySearch blog to read about how our top analysts are interpreting up-to-the-minute issues that impact the display industry, and join us in this discussion about technology and the flat panel industry. The company also organizes influential events worldwide. Headquartered in Austin, Texas, DisplaySearch has regional operations in Chicago, Houston, Kyoto, London, San Diego, San Jose, Seoul, Shenzhen, Taipei and Tokyo, and the company is on the web at http://www.displaysearch.com/.

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