

## ■ Preliminary Q3'08 North America TV Results Show 12% Y/Y Growth; Both Overall Flat Panel TV and 40" + Screen Size Segments Experience Slowing Growth

AUSTIN, TEXAS, November 11, 2008—As the US economy slid deeper into turmoil during the late weeks of Q3'08, preliminary shipment indications from DisplaySearch's [Quarterly Global TV Shipment and Forecast Report](#) show that North America unit shipments from manufacturers to retailers grew 6% Q/Q and almost 12% Y/Y to more than 10M units. LCD and plasma TV shipments were the strongest, rising 21% and 20% Y/Y respectively, with rear projection TVs declining more than 50% Y/Y. Although CRT TVs continue to decline in favor among consumers, the category is not falling as rapidly as expected due to demand among very price conscious consumers looking for a new digital TV ahead of next year's end to analog TV broadcasts.

The overall North America TV market growth in Q3'08 was stronger than expected given the extremely strong growth of the previous quarter, and seems to indicate that retailers maintained strong purchasing levels during the first couple of months during the quarter, before the retail demand difficulties emerged during the latter weeks of September.

Additional highlights of the quarter:

- North America LCD TV shipments rose 21% Y/Y to almost 8M units, a gain of about 6% Q/Q. 32" LCD TV shipments were again the most popular screen size, and saw pricing below \$500 by some brands towards the end of the quarter, rising 15% Q/Q to 2.4M units. In fact, smaller LCD sizes saw better Q/Q growth than larger sizes with <40" growing 7% Q/Q and 40"+ rising just 3%, partially due to increased competition from plasma at 40"+ sizes. However, 40"+ sizes continued to demonstrate the strongest growth on a Y/Y basis, rising 31%.
- Plasma TV shipments had surged in Q2'08 due to the re-introduction of 32" sizes and new model shipments by several brands, and the growth continued in Q3'08. Plasma TV shipments in North America rose 20% Y/Y to just over 1M units for two reasons: sub-\$1000 pricing became widespread for 42" HD models, and 50" HD plasma TV prices approached \$1000.
- When looking at combined flat panel TV shipments (plasma and LCD), it is clear that growth is slowing down. During the previous six quarters, growth was at least 41% Y/Y on a unit basis and only one quarter had less than 50% growth. However, combined flat panel TV shipments in North America were up only 21% Y/Y, as cracks began to appear in discretionary consumer spending and competition from ultra-low priced CRT sets at the smallest sizes ate into LCD sales growth. Across all TV technologies, <40" saw the second straight quarter of Y/Y growth after declines the previous five quarters. 40"+ slowed to its lowest growth rate in over two years as consumers saved money by shifting their purchase from larger to smaller screen sizes in greater numbers.
- Samsung had the #1 overall TV rank at 19.3% of units with a #1 rank in LCD and rear projection TV, #2 rank in plasma TV and #3 rank in CRT TV. In combined flat panel TV rank, Samsung was #1 at 19.4% unit share and had the strongest growth among the top five at 99% Y/Y. Samsung's LCD TV unit share was up to nearly 19% on 111% Y/Y growth, while they regained the #2 plasma TV share position with at 24.0%. Samsung also held the honor of being the top ranked LCD TV brand in 40"+ sizes for the second quarter in a row, as well as maintaining the top unit volume in sub-40" screen sizes.
- Sony was #2 in combined flat panel TV share at 12.3%, a 2 point share gain from Q2 on 73% Y/Y growth, the second highest Y/Y growth rate among the top five on new model introductions during the quarter. Sony sells only LCD TVs in the consumer space, so their combined flat panel TV share is only LCD TVs. Sony, along with Samsung, were the only brands to ship more than a million units during the quarter.
- Sharp had the strongest Q/Q growth among the top five flat panel TV brands at 41%, and picked up more than 2 points of unit share to 9.0%, placing them in an effective tie with Vizio as the #3 flat panel TV brand. Sharp also saw a strong Q/Q surge during 2007 ahead of the holiday season. Like Sony, Sharp is an LCD-only brand, while Vizio participates in both the LCD and plasma TV segments. Vizio was also #3 in plasma TV.

More extensive Q3'08 results for North America can be seen in the following tables.

Table 1: Preliminary Q2'08 – Q3'08 NA Flat Panel TV Unit Share and Growth

Rank	Brand	Q2'08 Unit Share	Q3'08 Unit Share	Q/Q Growth	Y/Y Growth
1	Samsung	18.8%	19.4%	10%	99%
2	Sony	10.3%	12.3%	26%	73%
3	Sharp	6.8%	9.0%	41%	9%
4	Vizio	9.4%	9.0%	1%	6%
5	LGE	8.1%	8.0%	5%	41%
	Other	46.6%	42.3%	-4%	-3%
	Total	100.0%	100.0%	6%	21%

Table 2: Preliminary Q2'08 – Q3'08 NA LCD TV Unit Share and Growth

Rank	Brand	Q2'08 Unit Share	Q3'08 Unit Share	Q/Q Growth	Y/Y Growth
1	Samsung	18.1%	18.8%	10%	111%
2	Sony	11.6%	13.9%	26%	73%
3	Sharp	7.7%	10.2%	41%	9%
4	Funai	6.8%	8.5%	33%	26%
5	Vizio	7.5%	8.4%	19%	-8%
	Other	48.3%	40.1%	-12%	-2%
	Total	100.0%	100.0%	6%	21%

Table 3: Preliminary Q2'08 – Q3'08 NA Plasma TV Unit Share and Growth

Rank	Brand	Q2'08 Unit Share	Q3'08 Unit Share	Q/Q Growth	Y/Y Growth
1	Panasonic	31.2%	39.0%	37%	58%
2	Samsung	24.2%	24.0%	9%	47%
3	Vizio	25.1%	13.4%	-41%	251%
4	LGE	10.7%	11.2%	15%	-1%
5	Sanyo	3.2%	3.8%	29%	150%
	Other	5.6%	8.5%	69%	-67%
	Total	100.0%	100.0%	10%	20%

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 on this report, please contact Carl Holec at (512) 687-1505 or Carl\_Holec@displaysearch.com.

Register now for the DisplaySearch [Black Friday Results and the 2009 Outlook Webinar](#) on December 9 from 1-3 pm ET, featuring a detailed analysis of the week's performance by analysts from DisplaySearch and the NPD Group. Co-hosted by the NPD Group, both CE and PC industries will be covered, reviewing what happened the week of Black Friday and the potential impact on Q4'08 and Q1'09 sales and beyond. To view the full agenda, visit <http://www.displaysearch.com/blackfriday>. Register by November 19 and save \$100!

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