# Worldwide Desktop Monitor Unit Shipments Reach All Time High, Due to Rapid Growth of LCD Monitor Shipments into China

AUSTIN, TEXAS, September 6, 2007--DisplaySearch, the worldwide leader in display market research and consulting, indicated in its latest *Quarterly Desktop Monitor Shipment and Forecast Report* that the market for desktop display solutions, including LCD monitors, CRT monitors and the often-overlooked category of all-in-one LCD PCs, grew to an all-time record high of 45.4M units for the quarter. While the WW market for CRT monitors continues to decline, the quarterly drop-off was less than expected, only seeing an 11.2% drop from Q1'07 shipments. LCD monitor shipments continue to shine thanks to a 9.4% Q/Q growth rate, which more than made up for the CRT downfall. Additionally, the LCD PC all-in-one desktop PC market (which typically uses LCD monitor panel components) showed solid growth, rising 16.8% for the quarter. While this segment remains small, it continues to gain some attention with the launch of new all-in-one PCs from Apple, as well as the recent entrance of vendors such as HP into this line of products.

Table 1: Q2'07 WW Desktop Display Solutions Unit Volume Shipments and Growth

| Desktop Display Type | Q2'07 Units (000s) | Q/Q Unit Growth | Y/Y Unit Growth |
|---|---|---|---|
| LCD Monitor | 40,007.9 | 9% | 34% |
| CRT Monitor | 4,642.6 | -11% | -46% |
| LCD PC | 714.9 | 17% | 81% |
| Total | 45,365.4 | 7% | 17% |

"While it is clear that the growth in the desktop display market place continues to come from the sale of LCD desktop monitors with a 34% Y/Y growth in that category alone, the growth no longer appears to be through cannibalization of one monitor technology for another (such as the sale of an LCD monitor instead of a CRT monitor), but through absolute growth of the market as well," noted Chris Connery, DisplaySearch Vice President of PC and Large Format Commercial Displays. "A deeper analysis of the desktop display industry shows that the two single biggest driving factors are regional growth—especially in markets like China—and the beginning of a new up-grade cycle from standard-aspect ratio LCD monitors to wide monitors."

Table 2: Q2'07 LCD Monitor Regional Share; Q/Q Growth and Y/Y Growth

| Region | Q2'06 Share | Q2'07 Share | Q1'07/Q2'07 Q/Q Growth | Q2'06/Q2'07 Y/Y Growth |
|---|---|---|---|---|
| Asia Pacific | 9.9% | 9.9% | 14% | 35% |
| EMEA | 32.5% | 33.8% | 0% | 40% |
| Greater China | 14.4% | 19.6% | 38% | 83% |
| Japan | 5.5% | 3.4% | -12% | -18% |
| Latin America | 5.3% | 8.5% | 40% | 115% |
| North America | 32.5% | 24.9% | -1% | 3% |
| Total | 100.0% | 100.0% | 9% | 34% |

While mature markets like North America (NA) and Europe have witnessed excellent growth in the LCD monitor market, China represents a growing percentage of the Q2'07 WW total, with 19.6% of the LCD monitors shipped in the quarter, up 38% Q/Q and 83% Y/Y. Latin America also continues to show solid sequential and Y/Y growth, but with most of this growth due to the purchase of now lower priced LCD monitors instead of CRT monitors rather than through organic growth as in China.

Table 3: Q2'07 Five Best Selling LCD Monitor Categories by Size/Resolution WW Compared to China

| WW Rank | China Rank | Size & Resolution | WW Unit Share | WW Q/Q Growth | China Unit Share | China Q/Q Growth |
|---|---|---|---|---|---|---|
| 1 | 2 | 17" SXGA | 34.0% | -8% | 32.6% | 2% |
| 2 | 1 | 19" Wide | 20.4% | 37% | 35.9% | 65% |
| 3 | 3 | 19" SXGA | 19.8% | -7% | 13.1% | 52% |
| 4 | 4 | 15" XGA | 7.6% | 43% | 5.9% | 49% |
| 5 | 5 | 22" Wide | 6.4% | 61% | 4.5% | 89% |
| | | Others | 11.8% | 35% | 8.0% | 124% |

In terms of LCD monitor sizes, wide aspect ratio displays continue to show the most growth, with 19"Wide now becoming #2 size and resolution in the world, but 17" SXGA remained the best selling size with a 34% share for the quarter. While non-consumer markets in more mature regions such as North America and Europe continue to use standard aspect ratio displays (waiting for PC and monitor replacement cycles expected to come when moving to the VISTA operating system), markets such as China are immediately accepting wide-aspect ratio displays both at home and in the workplace because many PCs are first-time purchases. 19"Wide became the best selling size/resolution in China in Q2'07, capturing 36% of that region's total share with the emerging 22"Wide size, ranked #5, jumping 89% in unit volume.  In fact, more 19"Wide LCD monitors were shipped into China in Q2'07 than any other region in the world—increasing this region's significance to the desktop display industry.

The need for standard-aspect ratio displays for NA and Europe is becoming a bit desperate, as big PC brands look to lock in production for enterprise-standard 17" SXGA and 19" SXGA displays due to the panel industry's preference to produce wide-screen displays (due to the efficiencies of doing so thanks to the market for wide-screen LCD TVs). The continued disconnect between the demand for standard aspect ratio LCD monitors in the larger, more mature markets and the acceptance of wide displays in both China's B2B and the B2C markets has caused LCD panel and monitor pricing for the sector to rise in Q2'07. Regions such as China grew, while somewhat stagnating growth was experienced in the world's two largest remaining markets: EMEA and NA.

Table 4: Q2'07 WW Desktop LCD Monitor Market Unit Share and Growth

| Rank | Brand | WW Unit Share | Q/Q Growth |
|---|---|---|---|
| 1 | DELL | 14.5% | 5% |
| 2 | SAMSUNG | 13.5% | 4% |
| 3 | HP | 10.2% | 8% |
| 4 | LGE | 9.1% | 15% |
| 5 | ACER | 7.4% | -4% |
| | Others | 45.3% | 15% |
| | Total | 100.0% | 9% |

Dell remained top WW vendor for LCD monitors, but along with other system vendors such as HP, Dell struggled to show more significant growth with its strong base of B2B customers not yet moving to wide displays. LGE showed the biggest Q/Q unit volume growth, rising 15% Q/Q mostly due to an increase in shipments into the regions where it already has its strongest presence: Europe and Latin America. Of the top five WW vendors, Acer was the only brand to show negative growth for the quarter; most of its drop-off came from reduced unit volume shipments into NA, a trend it looks to rectify though its recent merger with Gateway's consumer business, which has almost all of its presence focused on the US market.

DisplaySearch's *Quarterly Desktop Monitor Shipment and Forecast Report* includes shipment and forecast data for LCD monitors, CRT monitors, LCD PCs and TFT LCD monitor modules, as well as cost forecasts of TFT LCD monitor modules, LCD monitor interface electronics and LCD monitors. The report is delivered in PowerPoint and includes Excel pivot tables. For more information, contact DisplaySearch sales at 512-687-1511 or via email at sales@displaysearch.com.

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