

■ DisplaySearch Reports Q2'07 Flat Panel TV Share Surges Worldwide on Rapid LCD Growth; Samsung Still #1 in TV Units and Revenues

AUSTIN, TEXAS, August 20, 2007--DisplaySearch, the worldwide leader in display market research and consulting, reported in its latest [Quarterly Global TV Shipment and Forecast Report](#) that flat panel (LCD and plasma) TV penetration gained ground in each of the eight regions covered. As shown in Table 1, flat panel TV shipments accounted for more than 75% of total TV shipments in the top three regions: Japan, Western Europe and North America. Worldwide, flat panel TV shipments rose from 37% in Q1'07 to 43% in Q2'07 as prices vs. conventional CRT sets continued to narrow. Sequential growth was up more than 20% Q/Q in North America, Middle East and Africa, Asia Pacific, and Latin America. On a revenue basis, penetration is now above 50% in all regions, except for Latin America, with the worldwide flat panel TV revenue share rising from 74% to 79%, as shown in Table 2.

Table 1: Q1'07 - Q2'07 LCD + Plasma TV Unit Penetration by Region

	Q1'07	Q2'07
Japan	88%	92%
Western Europe	85%	88%
North America	65%	77%
Eastern Europe	35%	37%
China	18%	24%
Middle East and Africa	14%	17%
Asia Pacific	14%	16%
Latin America	7%	10%
Worldwide	37%	43%

Table 2: Q1'07 - Q2'07 LCD + Plasma TV Revenue Penetration by Region

	Q1'07	Q2'07
Japan	98%	99%
Western Europe	96%	97%
North America	81%	88%
Eastern Europe	71%	73%
China	51%	61%
Middle East and Africa	52%	57%
Asia Pacific	52%	56%
Latin America	30%	38%
Worldwide	74%	79%

Global TV shipments were up 1% Y/Y while falling 6% Q/Q on seasonal weakness to 43 million units. Despite the Y/Y unit growth, global TV revenues were down 4% Y/Y and 3% Q/Q to \$23 billion with ASPs down 5% Y/Y while rising 3% Q/Q to \$528. As a result, Q2'07 represented the first quarter in which revenues and ASPs were down on a Y/Y basis in at least two-and-a-half years.

According to DisplaySearch Founder and President Ross Young, "The Y/Y decline in TV revenues and ASPs in Q2'07 can be attributed to rapid flat panel and MD-RPTV price erosion and unit weakness in regions where flat panel penetration is high such as Europe and Japan. In addition, Q2'07 is one year after strong sell-in from the 2006 World Cup which emphasized larger sizes while Q2'07 was marked by weakness at larger sizes due to more traditional buying patterns. For example, the 50"+ category declined 14% Q/Q in Q2'07 and 52" LCD TVs were flat Q/Q. Nonetheless, as flat panel TVs begin to saturate the TV market and prices continue to fall at a healthy rate, Y/Y revenue growth will be more difficult to achieve."

Results by Technology

LCD TVs rose 11% Q/Q and 70% Y/Y in Q2'07 to a record 16.1M units and a 37.5% unit share of the TV market. LCD TVs remained the only technology to enjoy Y/Y revenue growth, up 28% Y/Y to \$14.4B and a 64% revenue share of the TV market. ASPs were down a record 25% Y/Y to \$896 as slower size gains could not offset price reductions. Western Europe was the leading region for LCD TVs with a narrow advantage over North America. LCD TVs widened their advantage over plasma at 40-44" from 58% vs. 41% in Q1'07 to 63% vs. 36% in Q2'07 with RPTVs accounting for the remainder. At 50-54", LCD TV shipments were flat Q/Q, so its share rose slightly from 12% to 13%. The LCD TV share of the 40"+ TV market rose from 50% in Q1'07 to 57% in Q2'07. The

average LCD TV diagonal rose slightly from 30.7" in Q1'07 to 31.0" in Q2'07 with 40" and larger LCD TVs accounting for 20% of total LCD TV shipments, up from 11% in Q2'06 and 19% in Q1'07. 1080p resolution LCD TVs accounted for 10% of total LCD TV units and 42% of all 40"+ LCD TVs, up from 9% and 35% respectively in Q1'07.

On a revenue basis, the ranking of the top five brands was stable, led by Samsung which grew its share from 17% to 19%. By region on a unit basis, Samsung led in Western Europe, Asia Pacific, Latin America and Middle East/Africa. Sharp and Hisense remained #1 in Japan and China, respectively, Vizio overtook Samsung in North America, and Philips overtook Samsung in Eastern Europe.

Table 3: LCD TV Brand Revenue Share and Growth

	Q1'07	Q2'07	Q2'07 Y/Y Growth
Samsung	17.4%	18.6%	54%
Sony	17.1%	13.2%	5%
Sharp	13.8%	11.1%	31%
Philips	9.3%	10.1%	18%
LGE	7.5%	8.4%	39%
Other	34.9%	38.7%	26%
Total	100.0%	100.0%	28%

Plasma TV shipments were up 1% Y/Y while falling 4% Q/Q to 2.2M units with a 5.2% share of the TV market. Plasma TV revenues, on the other hand, fell 29% Y/Y and 6% Q/Q to \$3.4B and a 15.1% share, the lowest since Q3'04. ASPs plunged 30% Y/Y and 3% Q/Q to a record low \$1530. While plasma TVs fell further behind LCDs at 40-44", their share of the 50-54" market surged from 59% in Q1'07 to 70% in Q2'07 with the RPTV share falling from 30% to 13%. Plasma TVs also led in the 50"+ TV market with a 59% share, up significantly from 48% in Q1'07, with RPTVs falling from 43% to 31%. 42" remained the leading plasma size with a 63% share, down from 65% in Q1'07, while the 50"+ share grew from 27% in Q1'07 to 30% in Q2'07. North America remained the largest region for plasma TVs with a 32% share followed by Western Europe at 27%. 1080p PDP TVs surged from 1% to 6% of the market with seven different manufacturers shipping product.

Panasonic remained the market leader in Q2'07 with a 33% unit share, as shown in Table 4, and was #1 in Japan, North America, Western Europe and Eastern Europe. Samsung overtook LGE for #2 on strong growth in Asia Pacific, Latin America, Middle East/Africa and Western Europe, but did not lead in any region. Hitachi led in China, while LGE led in Asia Pacific, Latin America, and Middle East and Africa.

Table 4: Plasma TV Brand Unit Share and Growth

	Q1'07	Q2'07	Q2'07 Y/Y Growth
Panasonic	28.9%	33.5%	20%
Samsung	17.6%	19.1%	42%
LGE	18.5%	18.1%	8%
Hitachi	8.4%	8.0%	9%
Philips	6.5%	6.3%	-38%
Other	20.1%	15.0%	-35%
Total	100.0%	100.0%	1.4%

MD-RPTV unit shipments fell 43% Y/Y and 35% Q/Q to 338K units, the lowest value since Q2'04. ASPs were down 26% Y/Y and 6% Q/Q to \$1578, a new low. Due to seasonal weakness in big screen demand, the average diagonal dropped 0.2" Q/Q to 53.9". The percentage of MD-RPTVs with 1080p resolution rose slightly from 50% in Q1'07 to 52% in Q2'07 with 720p gaining share at 37", 46" and 50-54". By technology, the DLP share reached a record high 63% with both LCOS and 3LCD losing significant share. North America continued to dominate MD RPTV demand, earning a 92% share of revenues followed by Asia Pacific at 3%. 55" and larger sizes maintained a majority of the market at 53%. By brand, Samsung overtook Sony after trailing for 10 consecutive quarters. It held a 35% to 31% advantage due to its leadership position in North America. Sony led in all other regions.

The HD share of all TV shipments was 41% on a unit basis and 79% on a revenue basis. Samsung remained the top 720p/1080i brand with a 20% to 9% revenue share advantage over Panasonic and Philips, while Sharp and Sony were in a virtual tie for #1 in 1080p share at 20%.

Results by TV Brand

Samsung was the #1 brand worldwide on a unit basis for the fourth consecutive quarter with its highest share to date at 13% on 26% Y/Y growth, the highest growth of the top five, as shown in Table 5. The company was also the #1 brand on a revenue basis for the sixth consecutive quarter with a 17.5% share, which is its highest share to date on the fastest growth of the top five at 15% as shown in Table 6. By region on a revenue basis, Samsung was #1 in Asia Pacific, Eastern and Western Europe, and North America. By technology on a revenue basis, it was #1 in LCDs and MD RPTVs and #2 in PDPs and CRTs.

LGE was the #2 brand on a unit basis for the fourth consecutive quarter and rose from #3 to #2

on a revenue basis. On a revenue basis, LGE was #1 in Latin America, and Middle East and Africa. By technology on a revenue basis, it was #1 in CRTs, #3 in PDPs and #5 in LCDs.

Philips remained #3 on a unit basis and #4 on a revenue basis. Sony remained #4 on a unit basis and fell from #2 to #3 on a revenue basis.

Table 5: TV Unit Share by Brand

	Q1'07	Q2'07	Q2'07 Y/Y Growth
Samsung	11.7%	13.1%	26%
LGE	10.6%	11.8%	6%
Philips	7.3%	8.0%	14%
Sony	6.2%	5.7%	-8%
Panasonic	4.4%	5.4%	-8%
Other	59.7%	55.9%	-4%
Total	100.0%	100.0%	1%

Table 6: TV Revenue Share by Brand

	Q1'07	Q2'07	Q2'07 Y/Y Growth
Samsung	15.9%	17.5%	15%
LGE	9.2%	10.1%	-1%
Sony	12.0%	9.7%	-16%
Philips	7.6%	8.5%	-5%
Panasonic	6.5%	8.1%	-17%
Other	48.8%	46.0%	-6%
Total	100.0%	100.0%	-4%

For more information on the dynamic TV and flat panel display markets, attend DisplaySearch's [2007 IMID Business Forum](#) on August 27 in Daegu, Korea, which will feature presentations from executives at DisplaySearch, AU Optronics, CPT, LG.Philips LCD, MN Tech, Samsung Corning, Samsung Electronics, Samsung LCD Business and Samsung SDI. For more information, please visit <http://guest.cvent.com/EVENTS/Info/Summary.aspx?e=a03123dd-1fc0-4f30-b304-116abdcc967f>

DisplaySearch's TV market intelligence including panel and TV shipments, TV shipments by region by brand by size, 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 Arie Braun at (512) 687-1505 or arie@displaysearch.com.

About DisplaySearch

DisplaySearch, an NPD Group company, has a core team of 46 employees located in Europe, North America and Asia who produce a valued suite of FPD-related market forecasts, technology assessments, surveys, studies and analyses. 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 www.displaysearch.com.

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Company Contact:

Arie Braun
 DisplaySearch
 512-687-1505 (ph)
 512-459-3127 (fax)
 E-mail: arie@displaysearch.com
 Media Contact:
 Stacey Voorhees
 925-336-9592
 E-mail: stacey@savvypublicrelations.net

Contact

To contact DisplaySearch, call 1.888.436.7673 or 1.516.625.2452 or email contact@displaysearch.com
 Media contact Stacey Voorhees, 1.925.336.9592 or email media@displaysearch.com
<http://www.displaysearch.com/>
<http://www.displaysearchblog.com/>

