Shipments of LCD TV Panels in Q4'07 Surged 70% Y/Y as Large-Area LCD Shipments Exceed 397 Million in 2007

Austin, Texas, January 23, 2008—Results of DisplaySearch's large-area TFT LCD survey for Q4'07, as reported in its *Quarterly Large-Area TFT LCD Shipment Report*, indicate shipments of TV panels surged 18% Q/Q and 70% Y/Y to 27.9M units. This brings the annual total to 86.0M TV panels, a 58% increase over 2006. On a display-area basis, 2007 shipments of LCD TV panels grew 91% over 2006 as the average TV panel size increased 10%. The value of these shipments rose 23% Q/Q and 78% Y/Y to $11.4M in Q4'07. For the year, LCD TV panel sales totaled $33.5M, $11M more than in 2006.

"Historically, slow capacity expansion and tight supply of large panels supported supplier prices more than usual in 2007. For example, the average unit price of LCD TV panels fell only 6% from 2006, and the average area price fell only 22%. DisplaySearch expects supply to remain relatively tight through 1H'08, helping suppliers sustain good margins," noted David Barnes, DisplaySearch's Vice President of Strategic Analysis.

DisplaySearch also reported strong consumer demand for 1080p LCD TV products throughout 2007 contributed to a strong year overall, despite sluggish consumer take-up in the final weeks of 2007. Demand for notebook PC displays was also strong in 2007. Annual shipments for portable computer applications rose 43% in 2007, and Q4'07 demand grew 45% Y/Y for a strong finish.

Some panels designed for PC monitor applications found their way into the LCD TV market, so annual growth of 31% for monitor panels overstates the actual demand for desktop displays. DisplaySearch expects buyers will prefer notebook PC products over desktop PC products for several years to come. Demand for flat-screen TV and portable PC products worldwide drove total large-area TFT LCD panel (10" or larger) shipment growth of 4% Q/Q and 40% Y/Y in Q4'07. Total large-area LCD shipments rose 40% in 2007.

Samsung Electronics captured the greatest share of TV panel revenues with sales of $8.6B in 2007 according to DisplaySearch findings. This 26% revenue share and was followed by LG.Philips LCD with a 22% sales share of TV panels. AU Optronics finished strong and increased its TV panel sales 126% Y/Y in Q4'07. For the year, AU Optronics had a 19% sales share. These three suppliers shipped 80% of all notebook PC panels in 2007, which DisplaySearch believes improved their operating performance.

The following table lists the large-area TFT LCD revenues and sales shares for the top ten suppliers in 2007, along with their revenue growth from 2006.

Table 1: Large-Area TFT LCD Revenue Rankings of the Top Three Suppliers for 2007

Rank	Large LCD Supplier	US$ Billion	Share	Growth
1	Samsung Electronics	$16.7	22.9%	33%
2	LG.Philips LCD	$14.9	20.4%	37%
3	AU Optronics*	$14.0	19.3%	41%

* Sales by Quanta Display have been added to AU Optronics revenues for 2006.

On a shipment basis, supplier rankings look different. Samsung Electronics led the industry in sales partly because it shipped larger displays, on average, than some competitors did. In 2007, the average large display shipped by Samsung was 15.3" on edge (assuming a square shape) compared to 14.3" for AU Optronics. The Taiwanese supplier therefore led in unit shipments, with a 20.3% share. The following table lists the shipments and annual unit growth of the top three suppliers from 2006. The PC share includes shipments of panels designed for notebook and monitor applications.

Table 2: Shipments (millions) and Shares of the Top Three Suppliers

Supplier	Shipments	Y/Y Growth	Large-Area Share	Notebook Share	Monitor Share	TV Share
AU Optronics*	80.8	37%	20.3%	24.4%	16.6%	22.5%
LG.Philips LCD	79.7	45%	20.1%	28.6%	15.0%	21.7%
Samsung & S-LCD	79.1	42%	19.9%	26.9%	17.4%	18.6%

* Sales by Quanta Display have been added to AU Optronics revenues for 2006.

About DisplaySearch
DisplaySearch, an NPD Group company, has a core team of 57 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 world-wide. 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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