

## Panel Makers' inventory survey in January 2009

Panel maker	Application	Inventory level (weeks)	Status	MoM Variation
Samsung	TV	1~2	Healthy	—
	NB	1~2	Healthy	—
	Monitor	1~2	Healthy	—
LGD	TV	1~2	Healthy	↙
	NB	1~2	Healthy	↙
	Monitor	1~2	Healthy	↙
AUO	TV	2~3	Healthy	—
	NB	2~2.5	Healthy	—
	Monitor	2~2.5	Healthy	—
CMO	TV	1~2	Healthy	—
	NB	5~6	High	↗
	Monitor	1	Healthy	↙
CPT	TV	1	Healthy	↙
	NB	12	High	↗
	Monitor	1	Healthy	↙
HSD	Monitor	under 1	Healthy	↙
INL	Monitor	1~1.5	Healthy	—
SVA-NEC	Monitor	2~3	Healthy	↙
BOE	Monitor	2	Healthy	↙

According to WitsView's Jan09 panel inventory survey, to avoid any excess production amid the market slowdown, the current panel production is based primarily on clients' actual demand. After undergoing the year-end inventory clearing, the inventory of most panel makers have currently dropped to a healthy level of roughly 3 weeks.

In terms of the monthly inventory changes, given the 85~95% high utilization rates of the Korean panel makers, underpinned by a cost advantage, LGD saw strong panel shipments, thus eating into the share of the Taiwan suppliers. LGD's panel inventory in the three main applications all fell in January. Meanwhile, due to Samsung's strict inventory controls, little changes were seen, where it was maintained at roughly 1~2 weeks. As for the Taiwan makers, they suffer from a weak NB panel client structure. Coupled by the slow end market demand, CMO's NB panel inventory rose slightly. CPT was more severely impacted, where the sharp drop in orders resulted in CPT's already high NB panel inventory to rise to three months. It is worthy to see the subsequent developments of this trend. As for China's panel makers, the drop in their utilization rates has gradually lowered their overall inventory.