



Global and China Touch Screen Industry Report, 2008-2009

Aug/2009



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2.1 Market Size

Global Touch Screen Market Size, 2008-2014E

	2008	2009	2010	2011	2012	2013	2014
Market Size (USD100 mln)	36	37	42	53	61	70	79

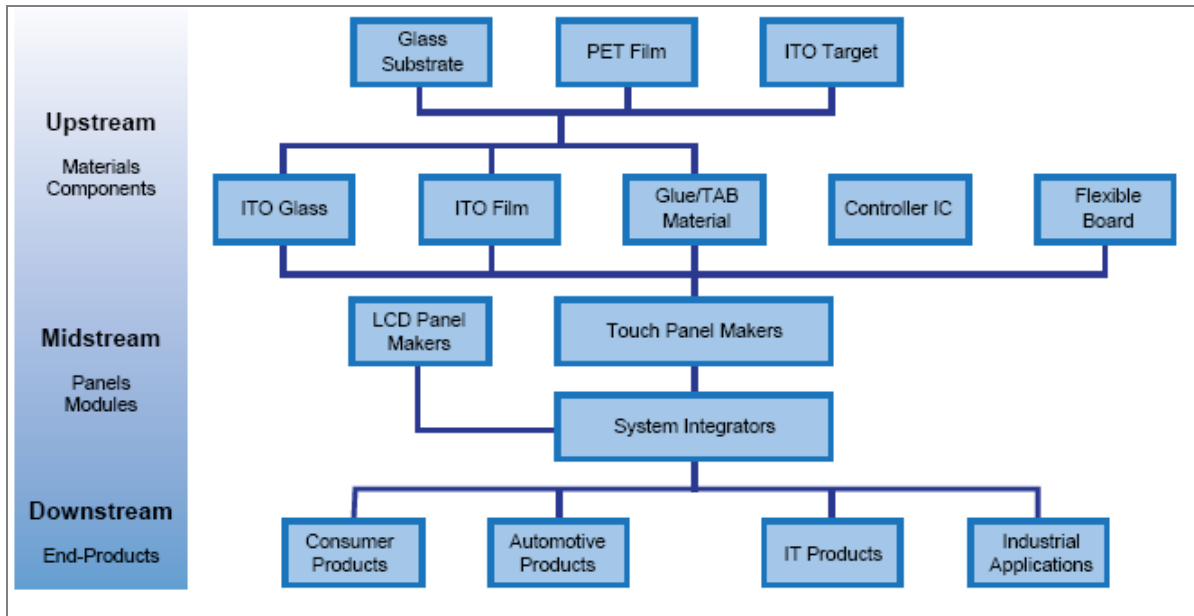
Global Touch Screen Distribution by Application, 2008-2012

Unit: USD1 mln	Cell Phone	GPS	PMP	Digital Camera	Other	IT	Large-size
2008	2200	310	130	60	220	10	610
2009	2300	250	130	60	240	150	570
2010	2580	290	120	80	260	770	620
2011	2880	320	130	90	270	1070	560
2012	3300	350	140	100	280	1370	620

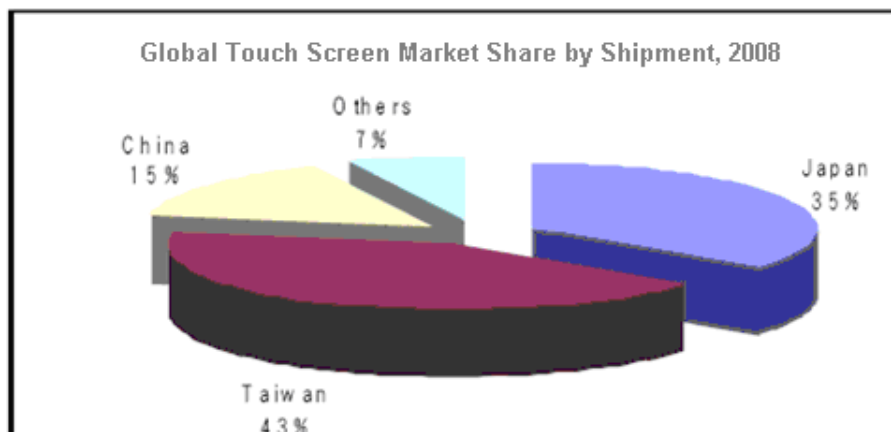
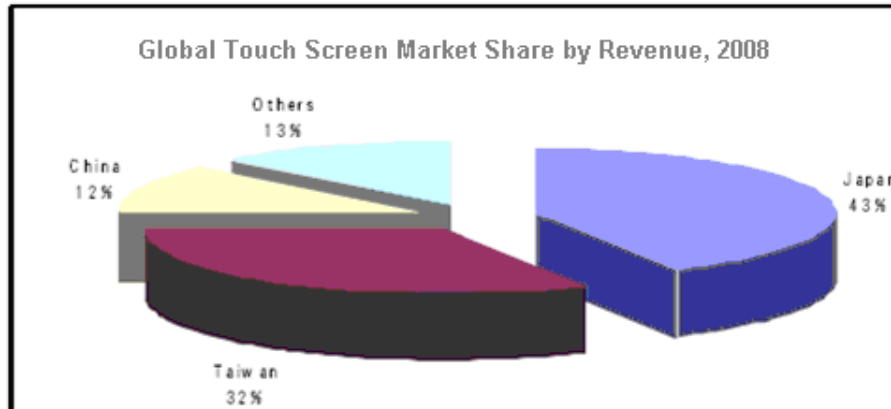
IT field is with the most promising, and the laptop with touch screen will be produced in large quantity promoted by WINDOWS7. However, the computer with touch screen had come into being long before, which was called TABLET PC. TABLET PC adopted electromagnetic touch screen with high price, plus electromagnetic only can touched by a single point, so the operating system was inconvenient. Today, the capacitive multi-touch screen will greatly speed up its marketing, not only significantly reduce costs, but also improve its functionality and performance, as well as enhance software support. In business notebook field, it is with great possibilities to become standard configuration as long as its cost is low enough. Therefore, the business notebook is for show images or files.

3.1 Industry Chain

Touch Screen Industry Chain



In the upstream of world's touch screen industry chain, Japan's manufacturers have held the higher market share, since with outstanding technology advantages in vacuum evaporation, sputtering, precision coating and fine chemicals. In the meantime, the manufacturers in touch screen upstream enjoys far higher profit margin than the downstream. In small-size field, for instance, Taiwan manufacturers account for 43% of market shares by shipment, while it is only 32% by sum.



Touch Screen Upstream Manufacturers

Item	Manufacturer
Glass Substrate	Corning, Asahi, Nippon Electric Glass
PET	Sumitomo Chemical, Toray
Chemical Materials	Nikko Shoji, Mitsui
ITO Glass	AimCore, Laibao Hi-Tech, ShinAn SNP, GemTech, G-Tech Optoelectronics, Guanhua Taiwan
ITO FILM	NITTO DENKO, Oike-Kogyo, Teijin, Nittobo Boseki, Suzutora, Sonybond, SAN-Ei, Gunze, Nakai, SKC HAAS, HANSUNG, DIGITECH SYSTEM, Join-Well Wintek, Efun
Adhesive	3M, NITTO DENKO, Sumitomo Chemical, DuPont
FPC	Ito Corporation, UNIFLEX, SUNFLEX, Taiwan Surface Mounting Technology
Controlled IC	Synopsys, Broadcom, EPSON, ATMEL, CYPRESS, EMC, EETI, PIXCIR, ALPS

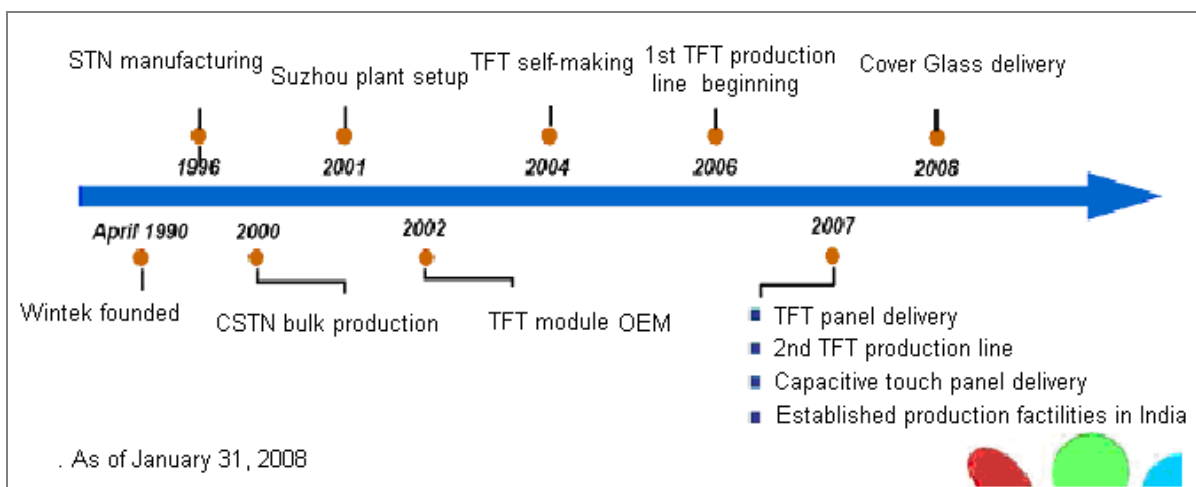
4. Manufacturers

4.19 Wintek

Wintek, the largest medium and small-sized panel manufacturer in Taiwan, has the biggest MSTN and CSTN-LCD panel capacity around the world. In 2003, it purchased the earliest generation production line of SHARP by TWD 300 million; in mid 2006, it purchased the 3rd generation production line of UCAM, and transferred the production line of SHARP to experiment line. Before 2006, it did not start bulk production. In August 2007, Wintek purchased the second TFT-LCD 3rd generation plant (size of glass base panel is 550mmX660mm) of HannStar located at Yangmei county including office building and related assets by TWD 9 billion.

In 2007, Wintek engaged in touch panel field with revenue of TWD 700 million, but in 2008, it obtained great rise of revenue, up to TWD3.7 billion. The main customer of Wintek is Apple, of which the touch panel used for IPDO TOUCH and IPHONE 3G are provided by Wintek. It is expected that the revenue from touch panel in 2009 will be TWD5.6-6 billion.

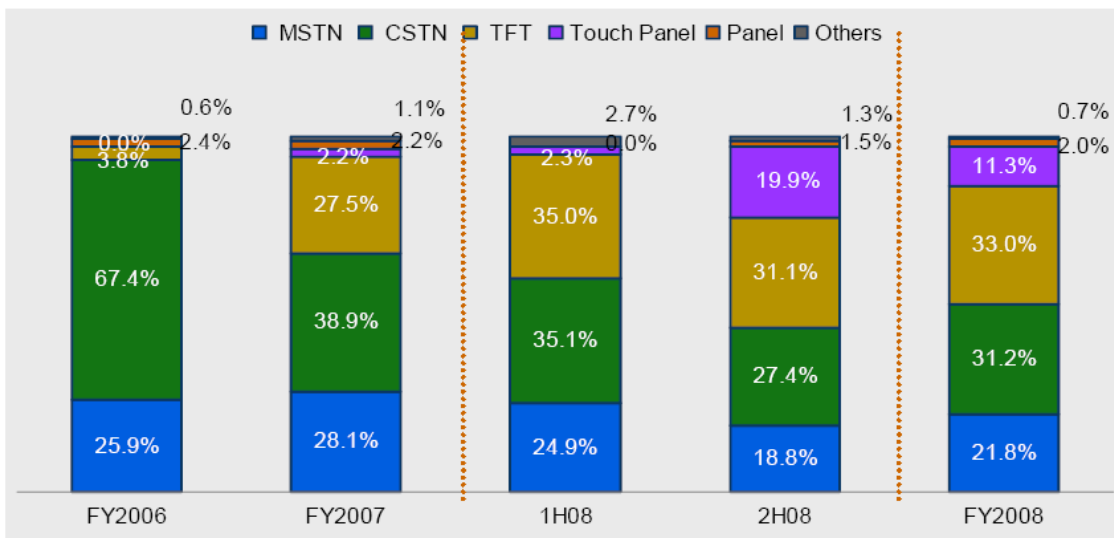
Wintek could produce ITO glass and ITO Film by itself, which makes it have cost advantage. It also has large-sized TFT-LCD production experience; therefore it has great strength in touch panel field. However, its LCD business is still in loss.



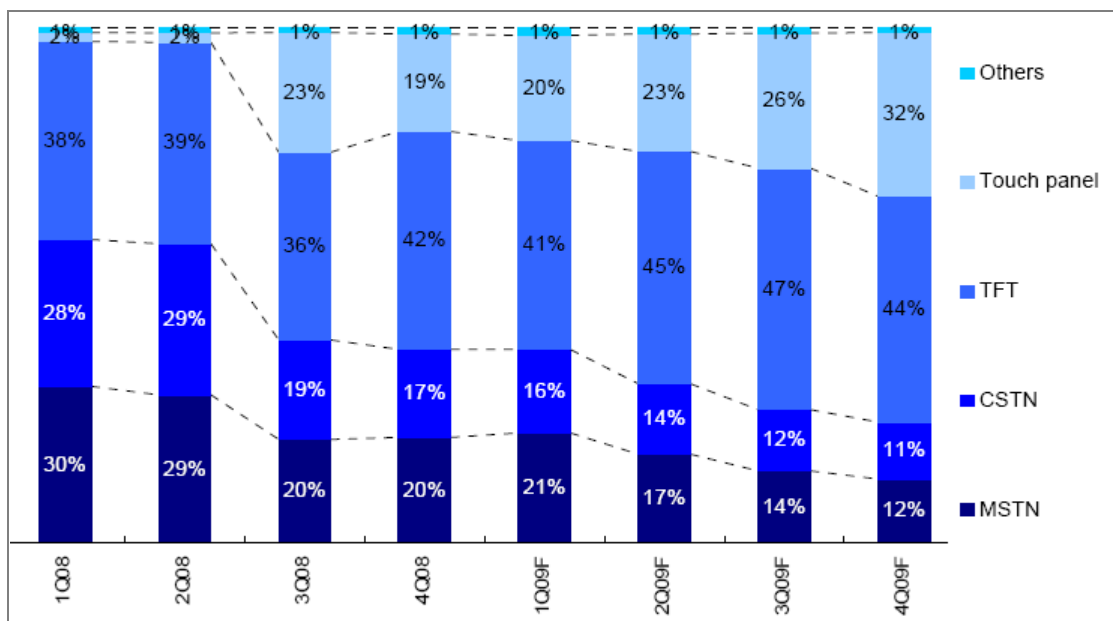
Revenue and Gross Margin of Wintek, 2002-2009

	2002	2003	2004	2005	2006	2007	2008	2009E
Revenue (TWD million)	7989	10707	25895	51958	32612	30760	31375	28378
Gross margin	14.8%	15.2%	13.6%	12.1%	12.3%	8.1%	2.8%	-12.2%

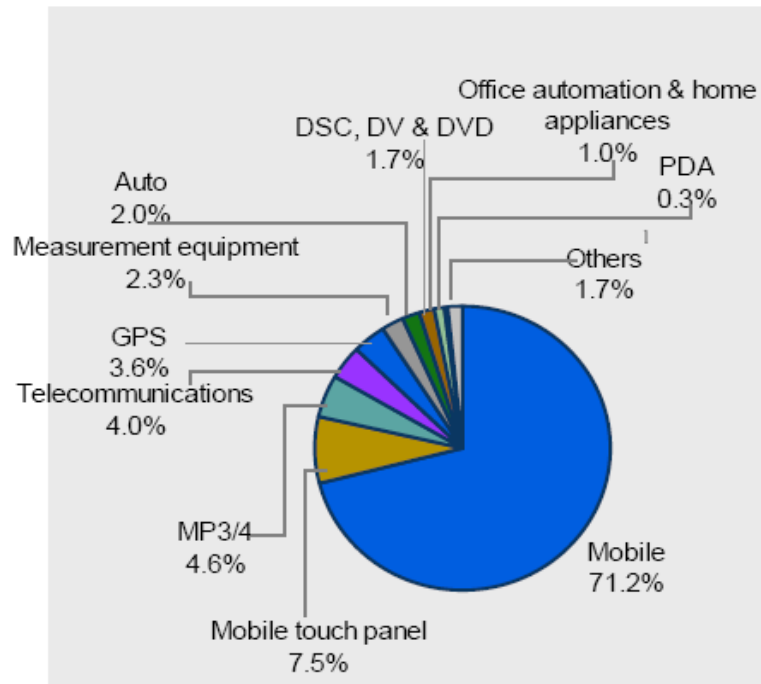
Product Structure of Wintek, 2006-2008



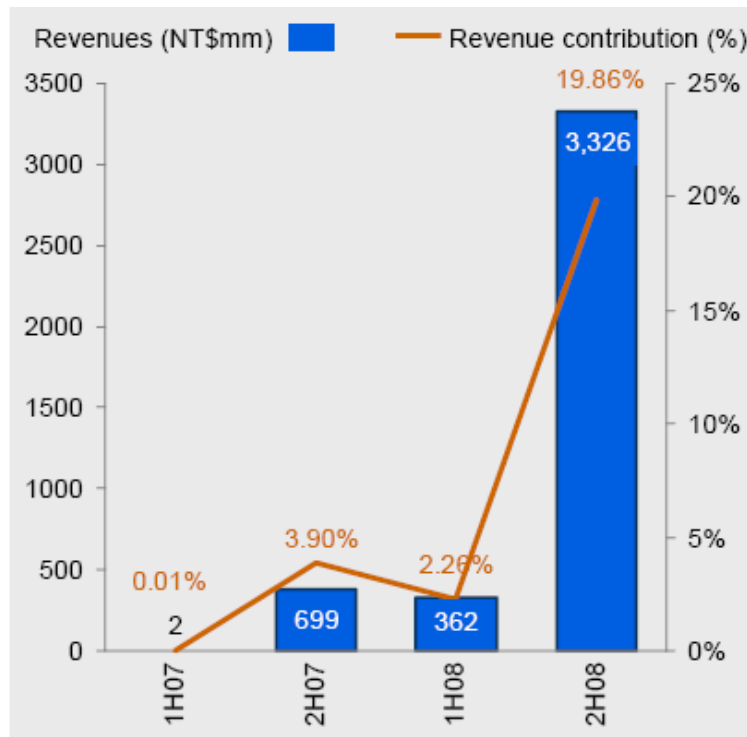
Revenue Structure of Wintek by Product, Q1 2008-Q4 2009



Downstream Application Structure of Wintek Products, 2008



Touch Panel Revenue of Wintek, 2007-2008



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