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LG Display Co. Ltd. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Brian White - Collins Stewart.

Brian White - Collins Stewart

I've got a question on a couple of things. Number one, when we look at inventory out in the channel for IT and LCD TVs, how many weeks are we talking right now?

Davis Lee

Okay, Davis Lee from IT Marketing Department. First IT side notebook; during the first quarter, industry consumed a lots of carryover inventory from the fourth quarter and now we believe it is around 23 or 24 days judging from the customers PSI in quotations. So if it is 23 days, that means less than four weeks, which is very healthy, better healthy situation, but in case of IT side, the inventory tightness is a little bit more severe. According to our calculation it is around 17 days or 18 days.

Since, our customer was very concerned about the first quarter projection of this year; they reduced their inventory quite aggressively. So as a result of that kind of inventory recession activities, now the industry's inventory level is very healthy; that I can summaries. Kevin.

Kevin Choi

This is Kevin Choi, speaking for LCD TV area. LCD TV inventory level, there is two different kinds of inventory level; one is, the retail channel inventory and the other is TV producers inventory level.

Retailers inventory, it depends on different retailer, but normally they think that about four weeks inventory or three to four weeks inventory in normal, but most of them, the inventory level is about one to two weeks short right now and the TV producer also, compared to their normal inventory, it depends on different company, but one to two weeks short right now. So, all together average wise I think there's two to three weeks shortage situation right now. That's the inventory situation.

Brian white - Collins Stewart

Okay. When we look at pricing, where do you expect the biggest increase in pricing in the second quarter versus the first quarter in terms of market TV versus IT and in terms of sizes? I think the smaller size is tighter than the larger, but you could add more color on that. That would be great.

Kevin Choi

TV side, most severe shortage was in 32-inch area in the first quarter and now we are experiencing 32-inch and below also 42-inch and 47-inch; all models is the shortage situation. Since February started, initially January 32-inch and below the shortage happened. February and March came, not the small one or bigger one, all the models right now are in shortage situation. So we start increasing the price of 42-inch and below, but from April, we actually start 42-inch and that kind of and above; that's also starting right now.

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