



For more information, contact:
Jeff Shepard, President
jshepard@darnell.com
(951) 279-6684
<http://www.darnell.com>

Darnell Group

NEWS

Take up of LED Driver ICs Exceeds Expectations

Corona, California, October 7, 2008 – The market for high-brightness LED driver ICs is increasingly diverse and presents significant growth opportunities. According to the latest analysis by Darnell Group, the dollar market is projected to grow faster than unit sales, 26.6%/year and 24.6%/year, respectively. By 2013, annual global demand will exceed 12 billion LED driver ICs accounting for sales of \$5.4 billion.

The higher dollar growth rate is a reflection of high growth rates for higher-cost LED driver ICs such as those used in LCD backlighting, signs, and automotive applications, compared with lower growth rates for lower-cost driver ICs used in mobile phone handsets and other portable applications. Among other important and surprising results, the report finds that 2008 will be the first year that the use of LED lighting exceeds the use of neon in general-purpose channel letter signs in North America.

These projections are based on a detailed analysis of 53 application sub-segments in the following areas: small LED backlight units (BLUs), (<7"); medium LCD BLUs, (7" to 15"); large LCD BLUs, (>15"); automobiles; light trucks; commercial trucks and buses; signs, signals and billboards; illumination; projection displays; and photographic lighting. This detailed analysis provides important insights into this growing market.

The single largest opportunity for growth in the next five years will be in the various applications within the Signals, Signs and Billboards segment. That segment is already the second-largest unit segment. It is projected to have an above-average growth rate (31.9% versus the worldwide average of 24.5%). As a result, by 2013, the Signals, Signs and Billboards segment will be by far the largest opportunity for LED driver ICs. Because of the higher power levels of the drivers in that segment, it is already the largest dollar market in 2008. The Small LCD BLUs segment is the second-largest segment.

In 2008, the Signals, Signs and Billboards segment is less than twice as large as the Small LCD BLUs segment in terms of dollar sales. By the end of the period, dollar sales in the Signals, Signs and Billboards segment will be well over twice as large as the Small LCD BLUs segment. Much of the growth in this segment is driven by two developments: LEDs surpassed neon as the dominant lighting technology for so-called channel letter signs in 2007, and the rapid growth of LED video signs and billboards starting in 2008.

Automotive applications are also projected to grow rapidly during the forecast period. While applications such as headlights will present fairly modest potential, brake lights and other applications will drive high volumes of LED driver IC sales. This analysis reviews trends in 21 automotive application sub-segments across the major application categories of Automobiles, Light Trucks and Commercial Trucks and Buses.

In addition to developing the detailed unit sales forecasts, this analysis provides a detailed projection of average selling prices for LED driver ICs in each of the 53 application sub-segments. Those pricing forecasts, combined with the unit sales analysis, produce a detailed forecast of dollar sales trends in each of these application sub-segments.

Darnell Group is the leading source for worldwide strategic information covering the full spectrum of power electronics, energy storage and generation. The company specializes in the economic/business analysis of emerging power markets and technologies. Complete information on the First Edition of "LED Driver ICs: Worldwide Forecasts" is available at: <http://www.darnell.com/leds>



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