

LG.Philips LCD Co., Ltd.

Form 6-K

August 16, 2005

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of August 2005

LG.Philips LCD Co., Ltd.

(Translation of Registrant's name into English)

20 Yoido-dong, Youngdungpo-gu, Seoul 150-721, The Republic of Korea

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

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Form 20-F X Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submission to furnish a report or other document that the registration foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No X

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SEMIANNUAL REPORT

(From January 1, 2005 to June 30, 2005)

THIS IS A TRANSLATION OF THE INTERIM REPORT ORIGINALLY PREPARED IN KOREAN AND IS IN SUCH FORM AS REQUIRED BY THE KOREAN FINANCIAL SUPERVISORY COMMISSION.

IN THE TRANSLATION PROCESS, SOME PARTS OF THE REPORT WERE REFORMATTED, REARRANGED OR SUMMARIZED FOR THE CONVENIENCE OF READERS.

UNLESS EXPRESSLY STATED OTHERWISE, ALL INFORMATION CONTAINED HEREIN IS PRESENTED ON A NON-CONSOLIDATED BASIS IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN KOREA, OR KOREAN GAAP, WHICH DIFFER IN CERTAIN RESPECTS FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CERTAIN OTHER COUNTRIES, INCLUDING THE UNITED STATES. WE HAVE MADE NO ATTEMPT TO IDENTIFY OR QUANTIFY THE IMPACT OF THESE DIFFERENCES.

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1. Overview

A. Industry

(1) Industry characteristics and growth potential

- TFT-LCD technology is one of the most widely used technologies in the manufacture of flat panel displays and the demand for flat panel displays is growing rapidly. The flat panel display industry is characterized by high entry barriers due to rapidly evolving technology, capital-intensive characteristics, and the significant investments required to achieve economies of scale, among other factors. There is strong competition between a limited number of players within the industry and production capacity in the industry, including ours, is being continually increased.
- The demand for LCD panels for Notebook PCs & Monitors has been closely related to the IT industry cycle. The demand for LCD panels for TVs is growing with the start of HDTV broadcasting and as LCD TV is anticipated to play a key role in the digital display area. In addition, LCD panel markets for applications, such as mobile phones, PDAs, medical applications and automobile navigation systems, among others, are growing steadily.
- The average selling prices of our display panels have declined in general and are expected to continually decline with time irrespective of industry-wide fluctuations as a result of, among other factors, technology advances and cost reductions.

(2) Cyclicalities

- The TFT-LCD business has high cyclicalities as well as being a capital intensive business. In spite of the increase in demand for products, this industry has experienced periodic volatility caused by imbalances between demand and supply due to capacity expansion within the industry.
- Intense competition and expectations of demand growth may lead panel manufacturers to invest in manufacturing capacity on similar schedules, resulting in a surge in capacity when production is ramped up at new fabrication facilities.
- During such surges in capacity growth, our customers can exert and have exerted strong downward pricing pressure, resulting in sharp declines in average selling prices and significant fluctuations in our gross margins. Conversely, demand surges and fluctuations in the supply chain can lead to price increases.

(3) Competitiveness

- Our ability to compete successfully also depends on factors both within and outside our control, including product pricing, performance and reliability, successful and timely investment and product development, success or failure of our end-brand customers in marketing their brands and products, component and raw material supply costs, and general economic and industry conditions.
- Core competitiveness includes technology leadership, capability to design new products and premium products, timely investment in advanced fabs, cost leadership through application of large production lines, innovation of process and

productivity, and collaborative customer relationships.

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- Most importantly, cost leadership and stable and long-term relationships with customers are critical to secure profit even in a buyer's market.
 - A substantial portion of our sales is attributable to a limited group of end-brand customers and their designated system integrators. The loss of these end-brand customers, as a result of customers entering into strategic supplier arrangements with our competitors or otherwise, would thus result in reduced sales.
 - Developing new products and technologies that can be differentiated from those of our competitors is critical to the success of our business. We take active measures to protect our intellectual property internationally by obtaining patents and undertaking monitoring activities in our major markets. It is also necessary to recruit and retain the experienced key staffs and highly skilled line operators.
- (4) Sourcing material
- Materials are sourced in-house (color filters) as well as from domestic and overseas vendors. However, recently, the domestic portion has grown due to the active participation of domestic vendors.
 - The shortage of raw materials may arise temporarily due to the rapid increase in demand for raw materials from capacity expansion in the TFT-LCD industry.
 - We have purchased, and expect to purchase, a substantial portion of our equipment from a limited number of qualified foreign and local suppliers. From time to time, increased demand for new equipment may cause lead times to extend beyond those normally required by the equipment vendors.
- (5) Others
- Most TFT-LCD panel makers are located in Asia.
 - a. Korea: LG.Philips LCD, Samsung Electronics (including Joint Venture between Samsung Electronics and Sony Corporation), BOE-Hydis
 - b. Taiwan: AU Optronics, Chi Mei Optoelectronics, CPT, QDI, etc.
 - c. Japan: Sharp, Hitachi, etc.
 - d. China: SVA-NEC LCD, BOE-OT, etc.

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B. Company

(1) Business overview

- We started the TFT-LCD business in 1998. We currently operate six fabrication facilities located in Gumi, Korea and three module facilities located in Gumi, Korea and Nanjing, China and we are constructing our 7th generation fab (P7) in Paju, Korea.
- We became the first LCD maker in the world to commence commercial production at a 4th generation fab (P3) in July 2000 and at a 5th generation fab (P4) in March 2002 to meet the demand for large-size monitors.
- We started mass production at our 6th generation fab (P6) in August 2004, which has provided us with a full line-up of products and which allows us to meet growing customer demand for LCD TV panels in addition to LCD panels for Notebook PC and Monitor, etc.
- Sales in the first half of 2005 increased by 3% to KRW 3,799 billion (USD 3,674 million) from sales of KRW 3,687 billion (USD 3,566 million) in the second half of 2004 and decreased 14% compared to KRW 4,393 billion (USD 4,249 million) in the first half of 2004.
- Due to the decrease in selling prices, etc, operating income in the first half of 2005 swung to an operating loss of KRW 134 billion (USD 130 million) from a profit of KRW 177 billion (USD 171 million) in the second half of 2004. Net income in the first half of 2005 swung to a loss of KRW 38 billion (USD 37 million) from a profit of KRW 326 billion (USD 315 million) in the second half of 2004.
- Business area of the company for disclosure is limited to LCD business.

(2) Market shares

- World wide market share of large-size TFT-LCD panels (≥10) based on revenue

	2005 Q1	2004	2003
Panel for Notebook PC	19.9%	19.7%	19.9%
Panel for Monitor	26.4%	22.7%	23.4%
Panel for TV	27.9%	19.9%	26.0%
Total	24.2%	21.0%	22.2%

(Source: DisplaySearch Q2 2005)

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(3) Market characteristics

- Due to the recent high growth in the display appliance market for the flat display format, the scale of the LCD market is growing at a rapid rate, resulting in expansion of the market centered mainly in America, Japan, Europe and China.

(4) New business

- In March 2004, we broke ground for a new TFT-LCD industrial complex in Paju, Korea, and construction of P7 is currently in progress.
- We plan to commence mass production of primarily 42" and 47" LCDs for TVs and large size LCDs for Monitors at P7 with an initial design capacity of 45,000 sheets per month, using 1,950 x 2,250 mm glass, during the first half of 2006. We may expand P7's capacity to 90,000 sheets per month depending on future market and other conditions. We currently estimate that the construction and build-out of P7, at a capacity of 90,000 sheets per month, will cost approximately KRW 5.3 trillion.

(5) Organization chart

- JRD : Joint Representative Director
- CEO : Chief Executive Officer
- CFO : Chief Financial Officer
- COO : Chief Operating Officer
- CTO : Chief Technology Officer

Table of Contents**2. Information Regarding Shares****A. Shareholder List**

- (1) Total shares issued : 325,315,700 shares as of June 30, 2005

Total shares increased to 357,815,700 after our capital increase through issuance of ADSs on July 27, 2005.

- (2) Principal shareholders and related parties as of June 30, 2005

(Unit: share)

<u>Name</u>	<u>End of Dec. 2004</u>	<u>Increase/Decrease</u>	<u>Jun. 30, 2005</u>	<u>Cause of change</u>
LGE	145,000,000 (44.57)%		145,000,000 (44.57)%	
Philips	145,000,000 (44.57)%		145,000,000 (44.57)%	
Total	290,000,000 (89.14)%		290,000,000 (89.14)%	

Number of shares held and shareholding ratio by either LG Electronics or Philips Electronics decreased to 135,625,000 and 37.9% respectively after our issuance of ADSs and sale of LPL's share by principal shareholders in July, 2005.

- (3) Shareholders who own 5% or more of our shares as of June 30, 2005

(Unit: share)

<u>Name</u>	<u>Type of Stock</u>	<u>Number of shares</u>	<u>Ratio</u>
LGE	Common Stock	145,000,000	44.57%
Philips	Common Stock	145,000,000	44.57%
Total		290,000,000	89.14%

B. Voting rights as of June 30, 2005

(Unit: share)

<u>Description</u>	<u>Number of shares</u>
1. Shares with voting rights [A-B]	325,315,700
A. Total shares issued	325,315,700
B. Shares without voting rights	
2. Shares with restricted voting rights	

Total voting right [1-2]	325,315,700
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Total shares with voting rights increased to 357,815,700 shares after our capital increase through issuance of ADSs on July 27, 2005.

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C. Dividends

(1) Dividends during the recent 3 fiscal years

Description	2005 1H	2004	2003
Par value (Won)	5,000	5,000	5,000
Net income (Million Won)	-37,764	1,655,445	1,019,100
Earnings per share (Won)	-116	5,420	3,514
Retained earning for dividends (Million Won)	2,925,574	2,963,337	1,307,892
Total cash dividend amount (Million Won)			
Total stock dividend amount (Million Won)			
Cash dividend payout ratio (%)			
Cash dividend yield (%)			
Stock dividend yield (%)			
Cash dividend per share (Won)			
Stock dividend per share (Won)			

* Earnings per share are calculated based on par value of 5,000 won.

(Stock split was made from par value of 10,000 won to par value of 5,000 won per share as of May 25, 2004)

* Retained earning for dividends is the amount before dividend is paid.

* Earnings per share was calculated by net income divided by weighted average number of common stock

3. Major Products and Materials

A. Major products in 2005 1H

(Unit: In billions of won)					
Business area	Sales types	Items		Major	
		(Market)	Specific use	trademark	Sales (%)
TFT-LCD	Commodity/ Product/ Service/ Other Sales	TFT-LCD (Overseas)	Notebook, Monitor, TV Applications Panels, etc.	LG.Philips LCD	3,436 (90.4)%
		TFT-LCD (Korea*)	Notebook, Monitor, TV Applications Panels, etc.	LG.Philips LCD	363 (9.6)%
Total					3,799(100.0)%

* Local export was included.

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B. Average selling price trend of major products

<u>Description</u>	(Unit: USD/M ²)		
	<u>2005 1H</u>	<u>2004</u>	<u>2003</u>
TFT-LCD panel	2,228	3,090	3,051

* Half-finished products in cell format and panels smaller than 10 inches are excluded.

(1) Assumptions for calculations

- Average annual (or quarterly) selling price per m²

(2) Major factors contributing to price fluctuation

- Price change due to fluctuation in market
- Price change due to change in model mix

C. Major materials

(Unit: In billions of won)					
<u>Business area</u>	<u>Purchase types</u>	<u>Items</u>	<u>Specific use</u>	<u>Purchase amount</u>	<u>Remarks</u>
				<u>(%)</u>	
TFT-LCD	Materials	Glass	LCD Panel Manufacturing	501 (22.0)%	Samsung Corning Co., Ltd.,
					NEG, etc.
		Back-Light		437 (19.2)%	Heesung Electronics Ltd., etc.
		Polarizer		191 (8.4)%	LG Chem., etc.
		Others		1,146 (50.4)%	
Total				2,275 (100.0)%	

D. Price trend of major materials

<u>Description</u>	(Unit : Won)		
	<u>2005 1H</u>	<u>2004</u>	<u>2003</u>
Glass	84,641	76,080	57,488
Back-Light	42,951	35,800	33,441
Polarizer	8,389	8,256	7,288

- (1) Assumption for calculation
 - Average unit price of major raw materials
- (2) Major factors contributing to price fluctuations
 - Change in size of raw materials and changes in quantity.
 - Difference between demand and supply

Table of Contents**4. Production and Equipment****A. Production capacity and calculation****(1) Production capacity**

(Unit : 1,000 Glass sheets)

<u>Business area</u>	<u>Items</u>	<u>Business place</u>	<u>2005 1H</u>	<u>2004</u>	<u>2003</u>
TFT-LCD	TFT-LCD	Gumi	3,635	6,644	5,280

(2) Calculation of Capacity**a. Method**

Assumptions for calculation

- Based on input production capacity

Calculation method

- Average monthly input capacity for 4th quarter x given periods (12 months) in case of 2004 and 2003.
- Average monthly input capacity for the 2nd quarter x given periods (6 months) in case of 2005 1H.

b. Average working hours

- Refer to B-(2)

B. Production performance and working ratio**(1) Production performance**

(Unit: 1,000 Glass sheets)

<u>Business area</u>	<u>Items</u>	<u>Business place</u>	<u>2005 1H</u>	<u>2004</u>	<u>2003</u>
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TFT-LCD

TFT-LCD

Gumi

3,541

6,033

4,715

* Based on input glass

(2) Working Ratio

(Unit: Hours)

Business place(area)	Maximum working hours	Real working hours	Average
	of 2005 1H	of 2005 1H	working ratio
Gumi	4,344	4,344	
(TFT-LCD)	(24HR. X 181Days)	(24HR. X 181Days)	100%

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C. Investment plan

(1) Investment in progress

(Unit: In billions of won)

<u>Business area</u>	<u>Description</u>	<u>Investment period</u>	<u>Investment Assets</u>	<u>Investment effect</u>	<u>Total investment</u>	<u>Already invested</u>	<u>To be invested</u>	<u>Remarks</u>
TFT-LCD	New / Expansion, etc.	1H 2004~	Building/ Machinery, etc.	Capacity Expansion	6,300	2,000	4,300	

(2) Investment Plan (Consolidated basis)

(Unit: In billions of won)

<u>Business area</u>	<u>Project</u>	<u>Expected yearly investment</u>			<u>Investment</u>	<u>Remarks</u>
		<u>2005 (1)</u>	<u>2006 (1)</u>	<u>2007 (2)</u>	<u>effects</u>	
TFT-LCD	New/ Expansion, etc.	4,580	3,500 ~4,500		Capacity Expansion, etc.	

(1) Expected investments in 2005 and 2006 are subject to change depending on market environment, etc.

(2) Expected investment during 2007 cannot be projected due to industry characteristics.

5. Sales

A. Sales performance

(Unit: In billions of won)

Business area	Sales types	Items (Market)		2005 1H	2004	2003
TFT-LCD	Products, etc.	LCD	Overseas	3,436	7,298	5,053
			Korea*	363	782	978
		Total		3,799	8,080	6,031

* Local export was included.

B. Sales route and sales method

(1) Sales organization

- Sales departments for Notebook PC, Monitor, TV and Applications, qualification department and sales planning & administration department, under Worldwide Sales EVP.
- Sales subsidiaries in America, Germany, Japan, Taiwan and China (Hong Kong, Shanghai) perform sales activities in overseas countries and provide technical support to customers.

* There is a back-end manufacturing subsidiary in Nanjing, China.

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(2) Sales route

- LG.Philips LCD HQ & Nanjing subsidiary → Overseas subsidiaries (USA/Europe/Japan /Taiwan /Hong Kong/Shanghai) → System integrators, Branded customers → End users
- LG.Philips LCD HQ → System integrators, Branded customers → End users

(3) Sales method and condition

- Direct sales & sales through overseas subsidiaries, etc.

(4) Sales strategy

- To secure stable sales to major PC makers and the leading consumer electronics makers worldwide
- To increase sales in premium Notebook PC products, to maintain the number one market share in the larger size high-end Monitor segment and to lead the larger size LCD TV market
- To diversify our Application Market product portfolio
- Sales order from branded customers to overseas subsidiaries → Information to HQ → Scheduling the production plan → Shipping products to subsidiaries → Sales to system integrators or branded customers by overseas subsidiaries.

6. Employees

(as of June 30, 2005)

(Unit : person, year, in millions of won)

Sex	Detail employees				Total Salary in 2005 1H	Per capita Salary	Average Service Period
	Official Worker	Line Worker	Others	Total			
Male	4,456	3,968		8,424	160,847	20	3.9
Female	409	3,423		3,832	51,550	14	2.1
Total	4,865	7,391		12,256	212,397	18	3.3

* Director and Executive officers are excluded.

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7. Financial Information

A. Financial Highlights (Based on Non-consolidated, Korean GAAP)

(Unit: In millions of won)

Description	2005 1H	2004	2003	2002	2001
[Current assets]	2,865,845	2,638,616	1,918,329	806,156	374,198
Quick assets	2,408,191	2,170,617	1,644,838	463,539	189,708
Inventories	457,654	467,999	273,491	342,617	184,490
[Fixed assets]	8,230,429	6,960,077	4,295,753	3,613,748	3,361,220
Investments	517,670	409,955	203,343	147,832	128,397
Tangible assets	7,549,642	6,366,651	3,874,428	3,210,884	2,937,209
Intangible assets	163,117	183,471	217,982	255,032	295,614
Total Assets	11,096,274	9,598,693	6,214,082	4,419,904	3,735,418
[Current liabilities]	2,495,132	1,900,765	2,044,005	1,117,066	904,952
[Non-current liabilities]	2,888,705	1,925,286	1,276,045	1,436,775	1,251,713
Total Liabilities	5,383,837	3,826,051	3,320,050	2,553,841	2,156,665
[Capital Stock]	1,626,579	1,626,579	1,450,000	1,450,000	1,450,000
[Capital surplus]	1,042,139	1,012,271			
Capital reserve	1,042,139	1,012,271			
Asset revaluation reserve					
[Retained earnings]	3,053,911	3,091,674	1,436,229	417,129	128,337
[Capital adjustment]	(-)10,192	42,118	7,803	(-)1,066	416
Total Shareholder s equity	5,712,437	5,772,642	2,894,032	1,866,063	1,578,753
Sales revenues	3,798,846	8,079,891	6,031,261	3,518,289	2,386,617
Operating income	(-)133,512	1,640,708	1,086,517	215,724	(-)344,976
Ordinary income	(-)162,128	1,683,067	1,009,731	293,249	(-)420,342
Net income	(-)37,764	1,655,445	1,019,100	288,792	(-)381,603

* For the purpose of comparison, Financial Statements for FY 2003, 2002 & 2001 were reclassified according to changes in the Statements of Korean Financial Accounting Standards.

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B. R&D Expense

(1) Summary

(Unit: In millions of won)

<u>Account</u>	<u>2005 1H</u>	<u>2004</u>	<u>2003</u>	<u>Remarks</u>
Direct Material Cost	106,170	170,051	141,614	
Direct Labor Cost	36,084	58,202	14,421	
Depreciation Expense	4,785	11,078	6,165	
Others	9,003	13,874	9,082	
R&D Expense Total	156,042	253,205	171,282	
Accounting Treatment				
Selling & Admin. Expenses	24,334	43,095	29,708	
Manufacturing Cost	131,708	210,110	141,574	
R&D Expense / Sales ratio	4.11%	3.13%	2.84%	
[Total R&D Expense÷Sales for the period×100]				

* Capex for R&D, Manufacturing Cost for R&D test run, and other R&D related cost are excluded.

(2) R&D achievements

1) Development of 20.1-inch AMOLED

- Joint development of 20.1-inch AMOLED with LG Electronics
- Development of world's largest 20.1-inch wide AMOLED based on LTPS technology

2) Development of Copper bus line

- Next generation LCD technology to significantly improve brightness, definition and resolution, etc.

3) Mass production and development of World's largest TFT-LCD panel for Full-HD TV (55-inch) in Oct. 2004.

- Stitch Lithography and Segmented Circuit Driving to cope with Large-size LCD Panel
- Achievement of High Contrast Ratio and Fast Response Time through new technologies
- Application of innovative panel technology to solve the weak point (gravity/touch stains) of large size

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- 4) Development of Ultra High Resolution Product (30-inch)
 - World's 1st success in mass production of LCM applying Cu Line (source & gate Area)
 - Achievement of Ultra High Resolution (2560x1600 : 101ppi)
- 5) Development of the World's Lowest Power-Consumption, 32" Wide LCD TV Model
 - Development of the world's lowest, under 90W model (EEFL applied)
 - High Contrast Ratio, Fast Response Time (DCR + ODC applied)

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C. Domestic Credit Rating

Subject	Month of Rating	Credit	Rating Agency
		Rating	(Rating range)
Corporate Debenture	Apr. 2004	AA-	Korea Investors Service, Inc. (AAA ~ D)
	May. 2004	AA-	
	Nov. 2004	AA-	
	Mar. 2005	AA-	National Information & Credit Evaluation, Inc.
	Jun. 2005	AA-	
Commercial Paper	Apr. 2004	A1	Korea Investors Service, Inc. (A1 ~ D)
	May. 2004	A1	
	Nov. 2004	A1	National Information & Credit Evaluation, Inc.
	Jun. 2005	A1	
			(A1 ~ D)

D. Remuneration for directors in 2005 1H

(Unit: In millions of won)

Classification	Salary paid	Approved salary at	Per capita average	Remarks
		Shareholders Meeting	salary paid	
Inside Directors (4 persons)	8,972	13,400	2,243	Audit committee consists of three outside directors.
Outside Directors (5 persons)	97		19	

Note1) Company did not pay remuneration for the outside directors who were appointed at the 20th AGM (March 23, 2005) in 1st quarter of 2005.

8. Major Events after June 30, 2005

A. Issuance of ADSs

- (1) Issuing date : July 27, 2005 (Korea time)
- (2) Total Amount : USD 1,385,800,000 (inclusive of over-allotment shares)
- (3) Offering of ADSs and common stock : 32,500,000 shares of our common stock in the form of ADSs including over-allotment option. (Each ADS represents one-half of one share of our common stock.)
- (4) Offering price : USD 21.32 per ADS
- (5) Use of Proceeds : Capital Expenditure
- (6) ADR depositary : Citibank, N.A.

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LG.Philips LCD Co., Ltd.

Interim Non-Consolidated Financial Statements

June 30, 2005 and 2004, and December 31, 2004

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Samil PricewaterhouseCoopers
Kukje Center Building
191 Hankangro 2ga, Yongsanku
Seoul 140-702, KOREA
(Yongsan P.O. Box 266, 140-600)

Report of Independent Accountants

To the Board of Directors and Shareholders of

LG.Philips LCD Co., Ltd.

We have reviewed the accompanying non-consolidated balance sheet of LG.Philips LCD Co., Ltd. (the Company) as of June 30, 2005, and the related non-consolidated statements of operations and cash flows for the three-month and six-month periods ended June 30, 2005 and 2004, expressed in Korean won. These interim financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these interim financial statements based on our reviews.

We conducted our reviews in accordance with the quarterly review and semi-annual review standards established by the Securities and Futures Commission of the Republic of Korea. These standards require that we plan and perform our review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our reviews, nothing has come to our attention that causes us to believe that the non-consolidated interim financial statements referred to above are not presented fairly, in all material respects, in accordance with accounting principles generally accepted in the Republic of Korea.

We have audited the non-consolidated balance sheet of LG.Philips LCD Co., Ltd. as of December 31, 2004, and the related non-consolidated statements of operations, appropriations of retained earnings and cash flows for the year then ended, in accordance with auditing standards generally accepted in the Republic of Korea. We expressed an unqualified opinion on those financial statements in our audit report dated January 26, 2005. These financial statements are not included in this review report. The non-consolidated balance sheet as of December 31, 2004, presented herein for comparative purposes, is consistent, in all material respects, with the above audited balance sheet as of December 31, 2004.

Samil PricewaterhouseCoopers is the Korean member firm of PricewaterhouseCoopers. PricewaterhouseCoopers refer to the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

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As discussed in Note 23, on July 7, 2005, the Board of directors of the Company approved the sale of 26,850,000 shares of common stock in the form of American Depositary shares (ADSs) for gross proceeds of US\$1,200,000 thousands pursuant to a Form F-1 registration statement filed on July 7, 2005 with the Securities and Exchange Commission. In addition, the Company granted the initial purchasers an option to purchase up to an additional US\$200,000 thousand aggregate principal amount of common stock.

Accounting principles and review standards and their application in practice vary among countries. The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in conformity with accounting principles and practices generally accepted in countries and jurisdictions other than the Republic of Korea. In addition, the procedures and practices used in the Republic of Korea to review such financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying financial statements are for use by those who are informed about Korean accounting principles or review standards and their application in practice.

Seoul, Korea

July 15, 2005

This report is effective as of July 15, 2005, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying financial statements and notes thereto. Accordingly, the readers of the review report should understand that there is a possibility that the above review report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Table of Contents**LG.Philips LCD Co., Ltd.****Non-Consolidated Balance Sheets****June 30, 2005 and December 31, 2004****(Unaudited)***(in millions of Korean won)*

	2005	2004
Assets		
Current assets		
Cash and cash equivalents (Note 3)	(Won) 1,235,169	(Won) 1,274,989
Available-for-sale securities	222	15
Trade accounts and notes receivable, net (Notes 4, 5 and 20)	957,175	635,903
Inventories, net (Note 6)	457,654	467,999
Other accounts receivable, net (Notes 4, 5 and 20)	5,858	6,690
Accrued income, net (Note 4)	2,256	1,470
Advanced payments, net (Note 4)	8,539	9,793
Prepaid expenses	32,958	27,905
Prepaid value added tax	76,932	80,917
Deferred income tax assets (Note 18)	37,662	
Others (Note 14)	51,420	132,935
Total current assets	2,865,845	2,638,616
Property, plant and equipment, net (Note 8)	7,549,642	6,366,651
Long-term financial instruments (Note 3)	16	16
Equity-method investments (Note 7)	172,186	