

LG.Philips LCD Co., Ltd.
Form 6-K
February 14, 2006
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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 February 2006

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

Table of Contents**Submission of Audit Report**

1. Name of external auditor : Samil Accounting Corporation
2. Date of receiving audit report : February 14, 2006
3. Auditor's opinion

	<u>FY 2005</u>	<u>FY 2004</u>
Audit Report on Consolidated Financial Statements	Unqualified	Unqualified
Audit Report on Non-consolidated Financial Statements	Unqualified	Unqualified

4. Financial Highlights of Consolidated Financial Statements

(Unit: KRW M, Korean GAAP, Consolidated)

<u>Items</u>	<u>FY 2005</u>	<u>FY 2004</u>
Total Assets	13,674,082	10,357,302
Total Liabilities	5,998,485	4,584,660
Total Shareholders' Equity	7,675,597	5,772,642
Revenues	10,075,580	8,328,170
Operating Income	469,697	1,728,356
Ordinary Income	368,695	1,687,942
Net Income	517,012	1,655,445
Total Shareholders' Equity / Capital Stock	429.0%	354.9%

5. Financial Highlights of Non-consolidated Financial Statements

(Unit: KRW M, Korean GAAP, Non-consolidated)

<u>Items</u>	<u>FY 2005</u>	<u>FY 2004</u>
Total Assets	12,995,915	9,598,693
Total Liabilities	5,320,318	3,826,051
Total Shareholders' Equity	7,675,597	5,772,642
Revenues	8,890,155	8,079,891
Operating Income	447,637	1,640,708
Ordinary Income	367,281	1,683,067
Net Income	517,012	1,655,445
Total Shareholders' Equity / Capital Stock	429.0%	354.9%

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LG.Philips LCD Co., Ltd. and Subsidiaries

Consolidated Financial Statements

December 31, 2005 and 2004

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LG.Philips LCD Co., Ltd. and Subsidiaries

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Seoul 140-702, KOREA
(Yongsan P.O. Box 266, 140-600)

Report of Independent Auditors

To the Shareholders and Board of Directors of

LG.Philips LCD Co., Ltd. and its Subsidiaries

We have audited the accompanying consolidated balance sheets of LG.Philips LCD Co., Ltd. and its subsidiaries (the Company) as of December 31, 2005 and 2004, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, expressed in Korean won. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the Republic of Korea. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of LG.Philips LCD Co., Ltd. and its subsidiaries as of December 31, 2005 and 2004, and the results of their operations, the changes in their shareholders' equity and their cash flows for the years then ended in conformity with accounting principles generally accepted in the Republic of Korea.

As discussed in Note 1 and 16, in July 2005, pursuant to the Form F-1 Registration statement filed on July 22, 2005 with the U.S. Securities and Exchange Commission, the Company issued 27,900,000 shares of common stock in the form of American Depositary Shares (ADSs) for proceeds of US\$ 1,189,656 thousand. In addition, pursuant to the Underwriting Agreement dated July 21, 2005, the Company issued 4,600,000 shares of common stock for gross proceeds of US\$ 196,144 thousand. The Company intends to use the proceeds from these sales to fund the capital expenditures in connection with the construction of TFT-LCD fabrication plant and other LCD facilities in Korea.

Samil Pricewaterhouse Coopers is the Korean member firm of PricewaterhouseCoopers. Pricewaterhouse Coopers 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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Accounting principles and auditing standards and their application in practice vary among countries. The accompanying consolidated 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 audit 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 auditing standards and their application in practice.

Seoul, Korea

January 20, 2006

This report is effective as of January 20, 2006, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit 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. and Subsidiaries****Consolidated Balance Sheets****December 31, 2005 and 2004***(in millions of Korean won)*

	<u>2005</u>	<u>2004</u>
Assets		
Current assets		
Cash and cash equivalents (Note 3)	(Won) 1,579,452	(Won) 1,361,239
Available-for-sale securities	354	15
Trade accounts and notes receivable, net (Notes 4, 5 and 21)	1,266,899	890,507
Inventories, net (Note 6)	690,785	805,288
Other accounts receivable, net (Notes 4 and 5)	66,203	63,810
Accrued income, net (Note 4)	1,369	1,470
Advance payments, net (Note 4)	5,994	9,825
Prepaid expenses	21,603	28,612
Prepaid value added tax	131,230	95,596
Deferred income tax assets (Note 19)	5,373	385
Other current assets (Note 15)	76,806	134,731
Total current assets	3,846,068	3,391,478
Property, plant and equipment, net (Note 8)	9,199,599	6,528,182
Long-term financial instruments (Note 3)	16	16
Available-for-sale securities	1	
Equity-method investments (Note 7)	14,156	
Non-current guarantee deposits	28,070	23,341
Long-term prepaid expenses	83,112	49,654
Deferred income tax assets (Note 19)	343,754	172,621
Intangible assets, net (Note 9)	159,306	192,010
Total assets	(Won) 13,674,082	(Won) 10,357,302
Liabilities and Shareholders' Equity		
Current liabilities		
Short-term borrowings (Note 10)	(Won) 308,969	(Won) 483,220
Trade accounts and notes payable (Notes 5 and 21)	693,588	581,581
Other accounts payable (Note 5)	1,474,556	1,013,467
Advances received	58,431	3,022
Withholdings	12,055	6,128
Accrued expenses (Note 5)	69,968	119,864
Income taxes payable (Note 19)	21,788	76,603
Warranty reserve	24,947	19,217
Current maturities of long-term debts (Note 11)	440,840	211,011
Other current liabilities (Note 15)	33,693	54,151
Total current liabilities	3,138,835	2,568,264
Debentures, net of current maturities and discounts on debentures (Note 11)	2,385,272	1,707,716
Long-term debts, net of current maturities (Note 11)	430,697	276,716
Accrued severance benefits, net (Note 13)	43,206	31,964
Deferred income tax liabilities (Note 19)	475	

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Total liabilities	5,998,485	4,584,660
Commitments and contingencies (Note 15)		
Shareholders' equity		
Capital stock (Note 16)		
Common stock, (Won)5,000 par value per share; 400 million shares authorized; 358 million shares issued and outstanding (2004 : 325 million)	1,789,079	1,626,579
Capital surplus (Note 17)	2,279,250	1,012,271
Retained earnings (Note 17)	3,608,686	3,091,675
Capital adjustments (Note 18)	(1,418)	42,117
Total shareholders' equity	7,675,597	5,772,642
Total liabilities and shareholders' equity	(Won) 13,674,082	(Won) 10,357,302

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**LG.Philips LCD Co., Ltd. and Subsidiaries****Consolidated Income Statements****Years Ended December 31, 2005 and 2004***(in millions of Korean won, except per share amounts)*

	2005	2004
Sales (Notes 21 and 23)	(Won) 10,075,580	(Won) 8,328,170
Cost of sales (Note 21)	9,094,711	6,299,513
Gross profit	980,869	2,028,657
Selling and administrative expenses	511,172	300,301
Operating income	469,697	1,728,356
Non-operating income		
Interest income	50,622	19,964
Foreign exchange gains	273,790	237,797
Gain on foreign currency translation	68,520	163,412
Gain on disposal of property, plant and equipment	128	253
Others	22,993	5,791
	416,053	427,217
Non-operating expenses		
Interest expense	104,928	53,262
Foreign exchange losses	334,330	320,447
Loss on foreign currency translation	38,481	70,233
Loss on valuation of investments using the equity method of accounting (Note 7)	244	
Loss on disposal of property, plant and equipment	572	3,534
Loss on disposal of accounts receivable	16,858	8,870
Loss on disposal of available-for-sale securities		25
Loss on disposition of investment		121
Donations	2,319	11,094
Ramp up cost	18,928	
Others	395	45
	517,055	467,631
Income before income taxes	368,695	1,687,942
Income tax benefit (expense) (Note 19)	148,317	(32,497)
Net income	(Won) 517,012	(Won) 1,655,445
Ordinary income per share (Note 20)	(Won) 1,523	(Won) 5,420
Earnings per share (Note 20)	(Won) 1,523	(Won) 5,420

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Diluted ordinary income per share (Note 20)	(Won)	1,523	(Won)	5,420
		<u> </u>		<u> </u>
Diluted earnings per share (Note 20)	(Won)	1,523	(Won)	5,420
		<u> </u>		<u> </u>

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents**LG.Philips LCD Co., Ltd. and Subsidiaries****Consolidated Statements of Shareholders' Equity****Years Ended December 31, 2005 and 2004**

<i>(in millions of Korean won)</i>	Common Stock	Capital Surplus	Retained Earnings	Capital Adjustments	Total
Balance as of January 1, 2004	(Won) 1,450,000	(Won)	(Won) 1,436,229	(Won) 7,806	(Won) 2,894,035
Issuance of common stock	176,579	1,012,271			1,188,850
Net income			1,655,445		1,655,445
Changes in capital adjustments				34,311	34,311
Balance as of December 31, 2004	1,626,579	1,012,271	3,091,674	42,117	5,772,641
Issuance of common stock	162,500	1,266,979			1,429,479
Net income			517,012		517,012
Changes in capital adjustments				(43,535)	(43,535)
Balance as of December 31, 2005	(Won) 1,789,079	(Won) 2,279,250	(Won) 3,608,686		