

LG Display Co., Ltd.
Form 6-K
May 26, 2010
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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 May 2010

LG Display 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)

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

Form 20-F 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

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QUARTERLY REPORT

(From January 1, 2010 to March 31, 2010)

THIS IS A TRANSLATION OF THE QUARTERLY 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 CONSOLIDATED BASIS IN ACCORDANCE WITH KOREAN INTERNATIONAL FINANCIAL REPORTING STANDARDS, OR K-IFRS, 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 IN THIS DOCUMENT.

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Table of Contents**1. Company****A. Name and Contact Information**

The name of our company is EL-GI DISPLAY CHUSIK HOESA , which shall be written in English as LG Display Co., Ltd.

Our principal executive offices are located at West Tower, LG Twin Towers, 20 Yoido-dong, Youngdungpo-gu, Seoul, Republic of Korea, 150-721, and our telephone number at that address is +82-2-3777-1114. Our website address is <http://www.lgdisplay.com>.

B. Domestic Credit Rating

Subject	Month of rating	Credit rating	Rating agency (Rating range)	
Commercial Paper	January 2006	A1	National Information & Credit Evaluation, Inc. (A1 ~ D)	
	June 2006	A1		
	December 2006	A1		
	June 2007	A1		
	December 2007	A1		
	September 2008	A1		
	December 2008	A1		
	June 2006	A1		Korea Investors Service, Inc. (A1 ~ D)
	January 2007	A1		
	June 2007	A1		
December 2007	A1			
Corporate Debenture	September 2008	A1	National Information & Credit Evaluation, Inc. (AAA ~ D)	
	June 2006	AA-		
	December 2006	A+		
	June 2007	A+		
	September 2008	A+		
	July 2009	AA-		
	October 2009	AA-		
	February 2010	AA-		
	June 2006	AA-		Korea Investors Service, Inc. (AAA ~ D)
	January 2007	A+		
	June 2007	A+		
	September 2008	A+		
	July 2009	AA-		Korea Ratings, Inc. (AAA ~ D)
	December 2009	AA-		
February 2010	AA-			
October 2009	AA-			
December 2009	AA-			

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(Unit: Won, Share)

Date	Description	Change in number of common shares	Face amount per share
July 23, 2004	Offering*	33,600,000	5,000
September 8, 2004	Follow-on offering**	1,715,700	5,000
July 27, 2005	Follow-on offering***	32,500,000	5,000

* ADSs offering: 24,960,000 shares (US\$30 per share, US\$15 per ADS)

Initial public offering in Korea: 8,640,000 shares (W34,500 per share)

** ADSs offering: 1,715,700 shares (W34,500 per share) pursuant to the exercise of greenshoe option by the underwriters

*** ADSs offering: 32,500,000 shares (US\$42.64 per share, US\$21.32 per ADS)

(2) Convertible Bonds (as of March 31, 2010)

(Unit: US\$, Share)

Item	Content
Issuing date	April 18, 2007
Maturity	April 18, 2012
(Redemption date after put option exercise)	(April 18, 2010)
Face Amount	US\$550,000,000
Offering method	Public offering
Conversion period	Convertible into shares of common stock during the period from April 19, 2008 to April 3, 2012
Conversion price	(Won)48,075 per share*
Conversion status	Number of shares already converted None Number of convertible shares 10,680,811 shares if all are converted*
Remarks	Registered form Listed on Singapore Exchange

* Conversion price was adjusted from (Won)49,070 to (Won)48,760 and the number of convertible shares was adjusted from 10,464,234 to 10,530,762 following the approval by the shareholders of a cash dividend of (Won)750 per share at the annual general meeting of shareholders on February 29, 2008. Conversion price was further adjusted from (Won)48,760 to (Won)48,251 and the number of shares issuable upon conversion was adjusted from 10,530,762 to 10,641,851 following the approval by the shareholders of a cash dividend of (Won)500 per share at the annual general meeting of shareholders on March 13, 2009. Conversion price was further adjusted from (Won)48,251 to (Won)48,075 and the number of shares issuable upon conversion was adjusted from 10,641,851 to 10,680,811 following the approval by the shareholders of a cash dividend of (Won)500 per share at the annual general meeting of shareholders on March 12, 2010.

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In April 2010, certain holders of our US\$550 million convertible bonds due 2012 exercised their put option for an aggregate principal amount of US\$484 million and were repaid at 109.75% of their principal amount. The remaining US\$66 million matures in 2012 at 116.77% of their principal amount. Accordingly, the number of shares issuable upon conversion changed from 10,680,811 to 1,281,697.

D. Voting rights (as of March 31, 2010)

Description	(Unit: share)
	Number of shares
1. Shares with voting rights [A-B]	357,815,700
A. Total shares issued	357,815,700
B. Shares without voting rights	
2. Shares with restricted voting rights	
Total number of shares with voting rights [1-2]	357,815,700

E. Dividends

At the annual general meeting of shareholders on March 12, 2010, our shareholders approved a cash dividend of (Won)500 per share of common stock.

Dividends during the recent three fiscal years

Description	2009	2008	2007
Par value (Won)	5,000	5,000	5,000
Net income (loss) (Million Won)	1,067,947	1,086,896	1,344,027
Earnings (Loss) per share (Won)	2,985	3,038	3,756
Total cash dividend amount (Million Won)	178,908	178,908	268,362
Total stock dividend amount (Million Won)			
Cash dividend payout ratio (%)	16.8	16.5	20.0
Cash dividend yield (%)	1.3	2.2	1.6
Stock dividend yield (%)			
Cash dividend per share (Won)	500	500	750
Stock dividend per share (Share)			

* Earnings per share is calculated based on par value of (Won)5,000 per share.

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- * Earnings per share is calculated by dividing net income by weighted average number of common stock.
- * Cash dividend yield is the percentage that is derived by dividing cash dividend by the arithmetic average of the daily closing prices of our common stock during the one-week period ending two trading days prior to the closing of the register of shareholders for the purpose of determining the shareholders entitled to receive annual dividends.

2. Business

A. Business overview

We were incorporated in February 1985 under the laws of the Republic of Korea. LG Electronics and LG Semicon transferred their respective LCD business to us in 1998, and since then our business has been focused on the research, development, manufacture and sale of display panels applying technologies such as TFT-LCD, LTPS-LCD and OLED.

As of March 31, 2010, we operated fabrication facilities and module facilities in Paju and Gumi, Korea, an OLED facility in Gumi, Korea and a LCD research center in Paju, Korea. We have also established sales subsidiaries in the United States, Europe and Asia.

As of March 31, 2010, our business consisted of (i) the manufacture and sale of LCD panels, (ii) the manufacture and sale of OLED panels and (iii) the manufacture and sale of television sets that utilize our LCD panels. Because our OLED business represents only an extremely small part of our overall business, only our LCD business has been categorized as a reporting business segment. In addition, because our television sales business is operated by our affiliated company, we have not categorized our television sales business as a separate reporting business segment.

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Financial highlights by business (based on K-IFRS)

(Unit: In billions of Won)

2010 (Q1)	LCD business
Sales Revenue	5,876
Gross Profit	1,237
Operating Profit	789

B. Industry*(1) Industry characteristics and growth potential*

TFT-LCD technology is one of the widely used technologies in the manufacture of flat panel displays and the demand for flat panel displays is growing. The flat panel display industry is characterized by 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 intense competition between the players within the industry and production capacity in the industry, including ours, is being continually increased.

The demand for LCD panels for notebook computers and desktop monitors has grown, to a degree, in tandem with the growth in the information technology industry. The demand for LCD panels for television sets has been growing as digital broadcasting is becoming more common and as LCD television has come to play an important role in the digital display market. In addition, markets for small- to medium-sized LCD panels, such as mobile phones, P-A/V, medical applications, automobile navigation systems and e-books, among others, have shown continued growth.

The average selling prices of LCD panels may continue to decline with time irrespective of general business cycles as a result of, among other factors, technology advancements and cost reductions.

(2) Cyclical

The TFT-LCD business is highly cyclical. In spite of the increase in demand for products, this industry has experienced periodic volatility caused by imbalances between supply and demand 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, the average selling prices of display panels may decline. Conversely, demand surges and fluctuations in the supply chain may lead to price increases.

(3) Market Condition

The TFT-LCD industry is highly competitive due largely to additional capacity expansion driven by TFT-LCD panel makers.

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Most TFT-LCD panel makers are located in Asia.

a. Korea: LG Display, Samsung Electronics (including a joint venture between Samsung Electronics and Sony Corporation), Samsung Mobile Display, Hydis Technologies

b. Taiwan: AU Optronics, Chi Mei Innolux, CPT, Hannstar etc.

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c. Japan: Sharp, IPS-Alpha, etc.

d. China: SVA-NEC, BOE-OT, etc.

(4) Market shares

Our worldwide market share for large-sized TFT-LCD panels based on revenue is as follows:

	2010 (Q1)**	2009***	2008***
Panels for Notebook Computers	31.6%****	30.3%****	29.6%****
Panels for Monitors	24.7%	23.9%	17.7%
Panels for Televisions	23.6%	24.4%	19.4%
Total	25.0%	25.2%	20.6%

* Source: 2010 Q1 Large Area Shipment Report published by DisplaySearch in May 2010.

** Based on large-sized TFT-LCD panels that are 9 inches or larger.

*** Based on large-sized TFT-LCD panels that are 10 inches or larger.

**** Includes panels for netbooks.

(5) Competitiveness

Our ability to compete successfully depends on factors both within and outside our control, including product pricing, our relationship with customers, successful and timely investment and product development, cost competitiveness, success in marketing to our end-brand customers, component and raw material supply costs, foreign exchange rates and general economic and industry conditions.

In order to compete effectively, it is critical to be cost competitive and maintain stable and long-term relationships with customers which will enable us to be profitable even in a buyer's market.

A substantial portion of our sales is attributable to a limited number 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 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. It is important that 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 experienced key managerial personnel and skilled line operators.

We reinforced our position as a leader in LCD technology by developing an ultra slim LCD module for 47-inch LCD televisions that is sturdy and provides high-quality images, a large three-dimensional multi-vision LCD panel which does not require special viewing glasses, one of the world's most energy efficient LCD panels for 32-inch LCD televisions that uses less than 1 watt per inch, a 47-inch digital photo television which can utilize its standby power to display digital pictures and the world's first TruMotion 480Hz LCD panel which refreshes 480 frames per second to substantially decrease afterimage and provide viewers with high-quality images that cause less eye fatigue.

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Moreover, we formed strategic alliances or entered into long-term sales contracts with major global firms such as Dell, Hewlett Packard and Kodak of the United States and Japan's Toshiba, among others, to secure customers and expand partnerships for technology development. In January 2009, we entered into a long term supply agreement with Apple Inc. to supply display panels to Apple Inc. for five years.

C. New business

In October 2007, we decided to invest in an 8th generation fabrication facility (P8) to expand our production capacity in line with the growing large-sized LCD television market. The construction of P8 has been completed and mass production at P8 commenced in March 2009. In July 2008, we decided to invest in a 6th generation fabrication facility (P6E) to expand our production capacity. The construction of P6E has been completed and mass production at P6E commenced in April 2009.

We also plan to strengthen our market position in future display technologies by strengthening our OLED business, accelerating the development of flexible display technologies and leading the LED backlight LCD market.

We are making an effort to increase our competitiveness by forming cooperative relationships with suppliers and purchasers of our products. As part of this effort, in June 2008, we purchased 2,037,204 shares of AVACO Co., Ltd., which produces sputters, a core equipment for LCD production, at a purchase price of (Won)6.2 billion and in May 2008, we purchased 1,008,875 shares of TLI Inc., which produces core LCD panel components such as timing controllers and driver integrated circuits, at a purchase price of (Won)14.1 billion. In July 2008, we purchased 6,850,000 shares of common stock of New Optics Ltd. at a purchase price of (Won)9.7 billion, and in February 2010, we purchased an additional 1,000,000 shares of common stock of New Optics at a purchase price of (Won)2.5 billion. In addition, in February 2009, we purchased 3,000,000 shares of common stock of ADP Engineering Co., Ltd. at a purchase price of (Won)6.3 billion. In May 2009, we purchased 6,800,000 shares of common stock of Wooree LED Co., Ltd. at a purchase price of (Won)11.9 billion. In November 2009, we purchased 34,125,061 shares of common stock of RPO Inc. at a purchase price of US\$12.3 million. In November 2009, we purchased TWD212.5 million in convertible bonds from Everlight Electronics Co., Ltd. In December 2009, we purchased 420,000 global depositary shares representing 420,000 shares of Prime View International Co., Ltd.'s common stock at a purchase price of US\$9.9 million. In addition, in January 2010, we purchased 10.8 million shares of Can Yang Investment Limited at a purchase price of CNY74 million. By promoting strategic relationships with equipment and parts suppliers, which enables us to obtain a stable source of supply of equipment and parts at competitive prices, we have strengthened our competitive position in the LCD business.

In July 2008, we and Skyworth-RGB Electronics Co., Ltd. founded a research and development joint venture corporation with a registered capital of CNY 50 million in China.

In October 2008, we established a joint venture company with AmTRAN Technology Co., Ltd., a Taiwan corporation. The joint venture company will supply both parties with TFT-LCD modules and TFT-LCD televisions. Through the establishment of this joint venture, we are able to further expand our customer base by securing a stable long-term panel dealer. It also allows us to produce LCD modules and LCD television sets in a single factory, which enables us to provide our customers with products that are competitive both in terms of technology and price.

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We are making an effort to strengthen our competitiveness in the solar cell business, which is emerging as a future growth engine. As part of this effort, in June 2009, we purchased 933,332 shares of common stock of Dynamic Solar Design Co., Ltd. at a purchase price of (Won)6.1 billion. Dynamic Solar Design Co., Ltd. produces equipment for the solar cell business.

As part of our strategy to expand our production capacity overseas, in November 2009, we signed an investment agreement and a joint venture agreement with the City of Guangzhou, China, to build an eighth-generation panel fabrication facility in China.

In December 2009, certain LG affiliates and we entered into a joint venture investment agreement and established a joint venture company, Global OLED Technology LLC, for purposes of managing the patent assets relating to OLED technology that we acquired from Eastman Kodak Company in December 2009. We invested (Won)72.3 billion in return for a 49% equity interest in the joint venture company.

In December 2009, we invested (Won)1.8 billion and acquired a 30.6% limited partnership interest in LB Gemini New Growth Fund No.16. Under the limited partnership agreement, we have agreed to invest a total amount of (Won)30 billion in the fund. By becoming a limited partner of this fund, our aim is to seek direct investment opportunities as well as to receive benefits from the indirect investment.

In July 2009, in order to expand our back-end module assembly capacity for liquid crystal display production, we entered into a stock purchase agreement with LG Electronics Inc. and LG Electronics (China) Co., Ltd. to purchase all of the shares of LG Electronics (Nanjing) Plasma Co., Ltd. at a purchase price of (Won)3.5 billion. Pursuant to the terms of such transaction, in December 2009, we acquired all of the equity interests of LG Electronics (Nanjing) Plasma Co., Ltd.

In order to increase our production capacity to meet the rising demand for our TFT-LCD products resulting from an overall growth of the TFT-LCD market, we are currently expanding P8, our eighth-generation panel fabrication facility in Paju, Korea, by constructing two expansions, P8E and P8E+, each equipped with additional production lines. The construction phase for P8E is nearly complete, and it commenced mass production with respect to certain production lines during the second quarter of 2010. P8E+ is expected to commence mass production during the first half of 2011.

In January 2010, we established a joint venture company with TPV Technology Co., Ltd., a Taiwan corporation. The joint venture company will supply both parties with TFT-LCD modules and TFT-LCD televisions and monitors. Through the establishment of this joint venture, we are able to further expand our customer base by securing a stable long-term panel dealer. It also allows us to produce LCD modules, LCD television sets and LCD monitors in a single factory, which enables us to provide our customers with products that are competitive both in terms of technology and price.

Table of Contents**3. Major Products and Raw Materials****A. Major products in 2010 (Q1)**

We manufacture TFT-LCD panels, of which a significant majority is exported overseas.

(Unit: In billions of Won)

Business area	Sales types	Items (Market)	Specific use	Major trademark	Sales (%)
TFT-LCD	Product/Service/Other Sales	TFT-LCD (Overseas) TFT-LCD (Korea*)	Panels for Notebook Computer, Monitor, Television, etc	LG Display	5,644 (96.0%)
				LG Display	232(4.0%)
Total					5,876(100%)

* Including local export.

** Period: January 1, 2010 ~ March 31, 2010.

B. Average selling price trend of major products

The average selling prices of LCD panels have decreased due to oversupply for LCD panels. The average selling prices of LCD panels are expected to continue to fluctuate due to imbalances in the supply and demand for LCD panels.

(Unit: US\$ / m²)

Description