

# Samsung spins off loss-making LCD business

20 Feb 2012

**Korean electronics giant Samsung** Electronics has announced it will be spinning off its LCD business into an 'affiliate' while increasing its focus on OLED-based displays.

The move comes only a couple of months after it took over [Sony](#)'s share in its LCD joint-venture and a few days after announcing a \$666 million loss for 2011, said [Reuters](#). With business analysts predicting a bigger slowdown of LCD consumption in 2012, and increasingly low product margins, the fate of the loss-posting division has been cautiously excised from the company's global fortunes, for now.

Tentatively named 'Samsung Display Co. Ltd.', the unit will launch on April Fools' Day and will be left with an equal amount of cash in its pocket - \$666 million - to fend off for its self. If you're a cynic, you'll think this little exercise in creative accounting is Samsung giving the business a one year chance to turn its fate around.

However, changes at the mothership are not expected to stop there. Among several working theories, Samsung Electronics may or may not merge the LCD subsidiary with its Mobile Display subsidiary, Samsung SMD, thereby concentrating all display businesses under one single unit.

This will be left up to the market, we believe, and how the LCD business will hold up on its own in the coming months.

While OLED, Samsung's crown jewel, is far from mainstream, the transition from LCD to LED and then to OLED has been a bumpy one. It isn't a surprise that Samsung management is cutting its risks. As [we said earlier this month](#).

Read more: <http://news.techeye.net/business/samsung-spins-off-loss-making-lcd-business#ixzz1n0fwk5UB>