

LG Display Co., Ltd.  
Form 6-K  
March 05, 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 March 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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**Submission of Audit Report**

1. Name of external auditor : Samjong Accounting Corporation
2. Date of receiving external audit report : March 4, 2010
3. Auditor's opinion

|   | <b>FY 2009</b> | <b>FY 2008</b> |
|---|----------------|----------------|
| Audit Report on Non-consolidated Financial Statements | Unqualified    | Unqualified    |

4. Financial Highlights of Non-consolidated Financial Statements

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

| <b>Items</b>                               | <b>FY 2009</b> | <b>FY 2008</b> |
|--|----------------|----------------|
| Total Assets                               | 18,885,163     | 16,501,987     |
| Total Liabilities                          | 8,759,879      | 7,225,965      |
| Total Shareholders' Equity                 | 10,125,283,638 | 9,276,022      |
| Capital Stock                              | 1,789,079      | 1,789,079      |
| Revenues                                   | 20,119,342     | 15,865,240     |
| Operating Income                           | 1,000,583      | 1,536,306      |
| Ordinary Income                            | 938,705        | 1,293,480      |
| Net Income                                 | 1,067,947      | 1,086,896      |
| Total Shareholders' Equity / Capital Stock | 565.9%         | 518.5%         |

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**Independent Auditors Report**

**Based on a report originally issued in Korean**

To the Shareholders and Board of Directors

LG Display Co., Ltd.:

We have audited the accompanying non-consolidated statements of financial position of LG Display Co., Ltd. (the Company) as of December 31, 2009 and 2008, and the related non-consolidated statements of income, appropriations of retained earnings, changes in stockholders' equity and cash flows for the years then ended. These non-consolidated financial statements are the responsibility of the Company's management. Our responsibility is to issue a report 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 non-consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company, as of December 31, 2009 and 2008 and the results of its operations, the appropriation of its retained earnings, the changes in its equity and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the Republic of Korea.

Without qualifying our opinion, we draw attention to the following:

As discussed in note 2(b) to the non-consolidated financial statements, accounting principles and auditing standards and their application in practice vary among countries. The accompanying non-consolidated financial statements are not intended to present the financial position, results of operations, changes in shareholders' equity and cash flows in accordance with accounting principles and practices generally accepted in countries other than the Republic of Korea. In addition, the procedures and practices utilized in the Republic of Korea to audit such non-consolidated financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying non-consolidated financial statements are for use by those knowledgeable about Korean accounting procedures and auditing standards and their application in practice.

As discussed in note 18(b) to the non-consolidated financial statements, the Company is under investigations by Korea Fair Trade Commission in Korea, European Commission and antitrust authorities in other countries with respect to possible anti-competitive activities in the LCD industry. In addition, the Company has been named as defendants in a number of federal class actions in the United States and Canada and related individual lawsuits based on alleged antitrust violations concerning the sale of LCD panels, and the Company and certain of its officers and directors have been named as defendants in a federal class action in the United States by shareholders of the Company alleging violations of the U.S. Securities Exchange Act of 1934. The Company estimated and recognized losses related to these legal proceedings. However, actual losses are subject to change in the future based on new developments in each matter, or changes in circumstances, which could be materially different from those estimated and recognized by the Company.

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/s/ KPMG Samjong Accounting Corp.

Seoul, Korea

February 16, 2010

This report is effective as of February 16, 2010, 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 non-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 DISPLAY CO., LTD.****Non-Consolidated Statements of Financial Position****As at December 31, 2009 and 2008**

| <i>(In millions of Won)</i>              | Note      | 2009             | 2008       |
|--|-----------|------------------|------------|
| <b>Assets</b>                            |           |                  |            |
| Cash and cash equivalents                | 3,16      | (Won) 704,324    | 1,207,786  |
| Short-term financial instruments         | 3         | 2,500,000        | 2,055,000  |
| Available-for-sale securities            | 6         |                  | 74         |
| Trade accounts and notes receivable, net | 4,8,16,18 | 3,023,158        | 1,695,578  |
| Other accounts receivable, net           | 4,16      | 81,413           | 41,570     |
| Accrued income, net                      | 4         | 41,241           | 88,175     |
| Advance payments, net                    | 4         | 11,187           | 250        |
| Prepaid expenses                         |           | 38,208           | 34,156     |
| Value added tax receivable               | 16        | 45,451           | 145,862    |
| Deferred income tax assets, net          | 24        | 163,182          | 80,994     |
| Other current assets                     |           | 2,737            | 25,164     |
| Inventories, net                         | 5,11      | 1,286,305        | 881,503    |
| <b>Total current assets</b>              |           | 7,897,206        | 6,256,112  |
| Long-term financial instruments          |           | 13               | 13         |
| Available-for-sale securities            | 6         | 119,944          | 129,497    |
| Equity method investments                | 7         | 1,057,225        | 831,237    |
| Long-term loans                          | 16        |                  | 12,575     |
| Property, plant and equipment, net       | 8,9,10,11 | 8,731,929        | 8,431,214  |
| Intangible assets, net                   | 10,12     | 240,900          | 194,343    |
| Non-current guarantee deposits           | 16        | 59,796           | 46,972     |
| Long-term other receivables, net         | 4         |                  | 182        |
| Long-term prepaid expenses               |           | 139,884          | 150,665    |
| Deferred income tax assets, net          | 24        | 638,266          | 409,528    |
| Other non-current assets                 |           |                  | 39,649     |
| <b>Total non-current assets</b>          |           | 10,987,957       | 10,245,875 |
| <b>Total assets</b>                      |           | (Won) 18,885,163 | 16,501,987 |

See accompanying notes to non-consolidated financial statements.

**Table of Contents****LG DISPLAY CO., LTD.****Non-Consolidated Statements of Financial Position, Continued**

As at December 31, 2009 and 2008

| <i>(In millions of Won)</i>   | Note  | 2009                    | 2008              |
|---|-------|-------------------------|-------------------|
| <b>Liabilities</b>  |       |                         |                   |
| Trade accounts and notes payable  | 8,16  | (Won) 2,014,909         | 951,975           |
| Other accounts payable  | 8,16  | 1,392,811               | 2,205,092         |
| Short-term borrowings   | 14    | 506,731                 |                   |
| Advances received   |       | 27,830                  | 10,669            |
| Withholdings  |       | 16,820                  | 15,486            |
| Accrued expenses  | 18    | 638,419                 | 212,330           |
| Income tax payable  | 24    | 120,206                 | 265,550           |
| Warranty reserve, current   | 17    | 57,985                  | 48,008            |
| Current portion of long-term debt and debentures, net of discounts  | 13,14 | 934,921                 | 498,652           |
| Other current liabilities   |       | 9,613                   | 19,464            |
| <b>Total current liabilities</b>  |       | <b>5,720,245</b>        | <b>4,227,226</b>  |
| Debentures, net of current portion and discounts on debentures  | 13    | 698,059                 | 1,490,445         |
| Long-term debt, net of current portion  | 14    | 1,256,488               | 1,019,306         |
| Long-term accrued expenses  | 29    | 7,615                   |                   |
| Long-term other accounts payable  | 7     | 429,222                 | 406,156           |
| Long-term advances received   | 16    | 583,800                 |                   |
| Accrued severance benefits, net   | 15    | 58,839                  | 70,139            |
| Warranty reserve, non-current   | 17    | 5,611                   | 10,097            |
| Other non-current liabilities   |       |                         | 2,596             |
| <b>Total non-current liabilities</b>  |       | <b>3,039,634</b>        | <b>2,998,739</b>  |
| <b>Total liabilities</b>  |       | <b>8,759,879</b>        | <b>7,225,965</b>  |
| <b>Shareholders equity</b>  |       |                         |                   |
| Common stock, (Won)5,000 par value. Authorized 500,000,000 shares; issued and outstanding 357,815,700 shares in 2009 and 2008 | 1,20  | 1,789,079               | 1,789,079         |
| Capital surplus   | 21    | 2,311,071               | 2,311,071         |
| Capital adjustment  | 7     | (713)                   |                   |
| Accumulated other comprehensive income  | 22    | 134,874                 | 173,938           |
| Retained earnings   | 23    | 5,890,973               | 5,001,934         |
| <b>Total shareholders equity</b>  |       | <b>10,125,284</b>       | <b>9,276,022</b>  |
| <b>Commitments and contingencies</b>  |       |                         |                   |
| <b>Total liabilities and shareholders equity</b>  |       | <b>(Won) 18,885,163</b> | <b>16,501,987</b> |

See accompanying notes to non-consolidated financial statements.



**Table of Contents****LG DISPLAY CO., LTD.****Non-Consolidated Statements of Income****For the years ended December 31, 2009 and 2008**

| <i>(In millions of Won, except earnings per share)</i>  | <b>Note</b> | <b>2009</b>      | <b>2008</b> |
|---|-------------|------------------|-------------|
| <b>Sales</b>  | 8,33        | (Won) 20,119,342 | 15,865,240  |
| <b>Cost of sales</b>                                    | 8,25        | 18,298,074       | 13,626,602  |
| <b>Gross profit</b>                                     |             | 1,821,268        | 2,238,638   |
| Selling and administrative expenses                     |             | 820,685          | 702,332     |
| <b>Operating income</b>                                 | 26          | 1,000,583        | 1,536,306   |
| Interest income   |             | 125,313          | 205,988     |
| Rental income   |             | 4,116            | 3,203       |
| Foreign exchange gains                                  |             | 1,077,831        | 2,492,293   |
| Gain on foreign currency translation                    | 19          | 236,268          | 211,068     |
| Equity income on investments                            | 7           | 129,348          | 164,142     |
| Gain on disposal of property, plant and equipment       |             | 2,497            | 3,299       |
| Gain on disposal of intangible assets                   |             | 9                | 1,633       |
| Commission earned                                       |             | 7,007            | 30,207      |
| Reversal of allowance for doubtful accounts             |             | 260              | 5,961       |
| Gain on redemption of debentures                        | 13          |                  | 1,152       |
| Other income  |             | 7                | 9,041       |
| <b>Non-operating income</b>                             |             | 1,582,656        | 3,127,987   |
| Interest expense  | 10          | 122,602          | 115,702     |
| Foreign exchange losses                                 |             | 1,078,556        | 2,324,969   |
| Loss on foreign currency translation                    |             | 21,384           | 437,392     |
| Donations   |             | 6,929            | 7,829       |
| Loss on disposal of trade accounts and notes receivable | 4           | 10,571           | 23,019      |
| Other bad debt expenses                                 |             | 32               |             |
| Loss on disposal of available-for-sale securities       |             | 5                |             |
| Equity loss on investments                              | 7           | 108,135          | 454,672     |
| Loss on disposal of property, plant and equipment       |             | 133              | 536         |
| Impairment loss on property, plant and equipment        | 9           |                  | 83          |
| Loss on redemption of debentures                        | 13          | 173              | 13          |
| Loss on disposal of equity method investments           | 7           | 165              | 100         |
| Other expenses  | 18          | 295,849          | 6,498       |
| <b>Non-operating expenses</b>                           |             | 1,644,534        | 3,370,813   |
| <b>Income before income taxes</b>                       |             | 938,705          | 1,293,480   |
| Income tax expense(benefit)                             | 24          | (129,242)        | 206,584     |
| <b>Net income</b>                                       |             | (Won) 1,067,947  | 1,086,896   |

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|                            |       |       |  |       |
|----------------------------|-------|-------|--|-------|
| <b>Earnings per share</b>  | 27    |       |  |       |
| Basic earnings per share   | (Won) | 2,985 |  | 3,038 |
| Diluted earnings per share | (Won) | 2,954 |  | 3,003 |

See accompanying notes to non-consolidated financial statements.

**Table of Contents****LG DISPLAY CO., LTD.****Non-Consolidated Statements of Appropriations of Retained Earnings****For the years ended December 31, 2009 and 2008****(Date of appropriations : March 12, 2010 and March 13, 2009 for the years ended December 31, 2009 and 2008, respectively)**

| <i>(In millions of Won)</i>  | Note | 2009            | 2008      |
|--|------|-----------------|-----------|
| <b>Retained earnings before appropriations</b>   |      |                 |           |
| Unappropriated retained earnings carried over from prior year  |      | (Won) 4,649,962 | 3,759,865 |
| Net income   |      | 1,067,947       | 1,086,896 |
|  |      | 5,717,909       | 4,846,761 |
| <b>Appropriation of retained earnings</b>  |      |                 |           |
| Legal reserve  |      | 17,891          | 17,891    |
| Cash dividend (Dividend per share (dividends as a percentage of par value): (Won)500(10%) in 2009 and 2008 | 28   | 178,908         | 178,908   |
|  |      | 196,799         | 196,799   |
| <b>Unappropriated retained earnings carried forward to the following year</b>                              |      | (Won) 5,521,110 | 4,649,962 |

See accompanying notes to non-consolidated financial statements.

**Table of Contents****LG DISPLAY CO., LTD.****Non-Consolidated Statements of Changes in Stockholders Equity****For the years ended December 31, 2009 and 2008**

| <i>(In millions of Won)</i>   | Capital stock   | Capital surplus | Accumulated<br>other<br>Capital<br>Adjustment | comprehensive<br>income (loss) | Retained<br>earnings | Total      |
|---|-----------------|-----------------|---|--------------------------------|----------------------|------------|
| <b>Balances at January 1, 2008</b>                                  | (Won) 1,789,079 | 2,311,071       |   | 5,823                          | 4,183,400            | 8,289,373  |
| Net income  |                 |                 |   |                                | 1,086,896            | 1,086,896  |
| Cash dividend   |                 |                 |   |                                | (268,362)            | (268,362)  |
| Change in fair value of available-for-sale securities               |                 |                 |   | 25,934                         |                      | 25,934     |
| Change in capital adjustment arising from equity method investments |                 |                 |   | 144,688                        |                      | 144,688    |
| Gain on valuation of cash flow hedges                               |                 |                 |   | (1,498)                        |                      | (1,498)    |
| Loss on valuation of cash flow hedges                               |                 |                 |   | (1,009)                        |                      | (1,009)    |
| <b>Balances at December 31, 2008</b>                                | (Won) 1,789,079 | 2,311,071       |   | 173,938                        | 5,001,934            | 9,276,022  |
| <b>Balances at January 1, 2009</b>                                  | (Won) 1,789,079 | 2,311,071       |   | 173,938                        | 5,001,934            | 9,276,022  |
| Net income  |                 |                 |   |                                | 1,067,947            | 1,067,947  |
| Cash dividend   |                 |                 |   |                                | (178,908)            | (178,908)  |
| Change in fair value of available-for-sale securities               |                 |                 |   | (22,453)                       |                      | (22,453)   |
| Change in capital adjustment arising from equity method investments |                 |                 |   | (25,034)                       |                      | (25,034)   |
| Loss on valuation of cash flow hedges                               |                 |                 |   | 8,423                          |                      | 8,423      |
| Acquisition of invested in affiliates                               |                 |                 | (713)   |                                |                      | (713)      |
| <b>Balances at December 31, 2009</b>                                | (Won) 1,789,079 | 2,311,071       | (713)   | 134,874                        | 5,890,973            | 10,125,284 |

See accompanying notes to non-consolidated financial statements.

**Table of Contents****LG DISPLAY CO., LTD.****Non-Consolidated Statements of Cash Flows****For the years ended December 31, 2009 and 2008**

| <i>(In millions of Won)</i>   | Note | 2009            | 2008      |
|---|------|-----------------|-----------|
| <b>Cash flows from operating activities:</b>                          |      |                 |           |
| Net income  |      | (Won) 1,067,947 | 1,086,896 |
| <b>Adjustments for:</b>   |      |                 |           |
| Depreciation  | 9    | 2,569,202       | 2,280,579 |
| Amortization of intangible assets                                     | 12   | 42,606          | 50,310    |
| Provision for severance benefits                                      | 15   | 79,321          | 68,956    |
| Provision for warranty reserve  | 17   | 113,866         | 90,063    |
| Loss (gain) on foreign currency translation, net                      |      | (214,884)       | 226,347   |
| Equity loss(income) on investments, net                               |      | (21,213)        | 290,530   |
| Other bad debt expenses   |      | 32              |           |
| Loss on disposal of available-for-sale securities                     |      | 5               |           |
| Loss on disposal of equity method investments                         |      | 165             | 100       |
| Gain on disposal of property, plant and equipment, net                |      | (2,364)         | (2,763)   |
| Gain on disposal of intangible assets, net                            |      | (9)             | (1,633)   |
| Impairment loss on property, plant and equipment                      |      |                 | 83        |
| Amortization of discount on debentures, net                           |      | 30,429          | 30,838    |
| Loss (gain) on redemption of debentures, net                          |      | 173             | (1,139)   |
| Reversal of allowance for doubtful accounts                           |      | (260)           |           |
| Reversal of stock compensation cost                                   | 29   |                 | (560)     |
| Other income(expenses), net   |      | 263,520         |           |
|   |      | 2,860,589       | 3,031,711 |
| <b>Changes in operating assets and liabilities:</b>                   |      |                 |           |
| Decrease (increase) in trade accounts receivable and notes receivable |      | (1,328,237)     | 619,830   |
| Decrease (increase) in other accounts receivable                      |      | (38,120)        | 81,060    |
| Decrease (increase) in accrued income                                 |      | 46,876          | (74,131)  |
| Decrease (increase) in advance payments                               |      | (11,183)        | 2,493     |
| Decrease (increase) in prepaid expenses                               |      | 25,757          | 28,721    |
| Decrease (increase) in value added tax receivable                     |      | 102,997         | (66,833)  |
| Decrease (increase) in current deferred income tax assets             |      | (83,852)        |           |
| Decrease (increase) in other current assets                           |      | 24,948          | 1,853     |
| Decrease (increase) in inventories                                    |      | (404,802)       | (200,907) |
| Decrease (increase) in long-term other receivables                    |      |                 | 182       |
| Decrease (increase) in long-term prepaid expenses                     |      | (19,029)        | (24,482)  |
| Decrease (increase) in non-current deferred income tax assets         |      | (216,129)       | (81,165)  |
| Decrease (increase) in other non-current assets                       |      | 41,735          | 2,539     |
| Increase (decrease) in trade accounts and notes payable               |      | 1,064,542       | 59,217    |
| Increase (decrease) in other accounts payable                         |      | (175,010)       | 403,602   |
| Increase (decrease) in advances received                              |      | 17,161          | (1,691)   |
| Increase (decrease) in withholdings                                   |      | 1,334           | 8,759     |
| Increase (decrease) in accrued expenses                               |      | 159,059         | 38,663    |
| Increase (decrease) in income tax payable                             |      | (144,232)       | 193,208   |
| Increase (decrease) in other current liabilities                      |      | (3,662)         | (20,536)  |
| Increase (decrease) in warranty reserve                               | 17   | (108,375)       | (81,253)  |
| Accrued severance benefits transferred from affiliated company, net   |      | 1,630           | 3,339     |
| Increase (decrease) in long-term accrued expenses                     |      | 7,615           |           |
| Increase (decrease) in long-term advances received                    |      | 695,500         |           |

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|  |                 |           |
|--|-----------------|-----------|
| Payment of severance benefits                                    | (47,761)        | (23,850)  |
| Decrease (increase) in severance insurance deposits              | (44,567)        | (31,792)  |
| Decrease (increase) in contribution to the National Pension Fund | 77              | 51        |
|  | (435,728)       | 836,877   |
| <b>Net cash provided by operating activities</b>                 | (Won) 3,492,808 | 4,955,484 |

See accompanying notes to non-consolidated financial statements.

**Table of Contents****LG DISPLAY CO., LTD.****Non-Consolidated Statements of Cash Flows, Continued****For the years ended December 31, 2009 and 2008**

| <i>(In millions of Won)</i>                                | Note | 2009                 | 2008               |
|--|------|----------------------|--------------------|
| <b>Cash flows from investing activities:</b>               |      |                      |                    |
| Acquisition of short-term financial instruments            |      | (Won) (4,000,000)    | (1,270,000)        |
| Proceeds from short-term financial instruments             |      | 3,555,000            |                    |
| Proceeds from available-for-sale securities                |      | 69                   |                    |
| Decrease in short-term loans                               |      | 12,575               |                    |
| Acquisition of available-for-sale securities               |      | (19,233)             | (96,260)           |
| Cash dividends received                                    | 7    | 28,561               | 12,187             |
| Acquisition of equity method securities                    |      | (242,490)            | (46,755)           |
| Proceeds from disposal of property, plant and equipment    |      | 7,602                | 10,343             |
| Proceeds from disposal of intangible assets                |      | 11                   | 3,196              |
| Government subsidies received                              |      | 2,550                |                    |
| Acquisition of property, plant and equipment               |      | (3,496,658)          | (2,623,303)        |
| Acquisition of intangible assets                           |      | (98,780)             | (125,103)          |
| Refund of non-current guarantee deposits                   |      | 553                  | 32                 |
| Payment of non-current guarantee deposits                  |      | (13,252)             | (13,469)           |
| Long-term loans granted                                    |      |                      | (10,474)           |
| <b>Net cash used in investing activities</b>               |      | <b>(4,263,492)</b>   | <b>(4,159,606)</b> |
| <b>Cash flows from financing activities:</b>               |      |                      |                    |
| Proceeds from short-term borrowings                        |      | 651,518              |                    |
| Proceeds from long-term debt                               |      | 323,914              |                    |
| Proceeds from issuance of debentures                       |      | 498,020              |                    |
| Redemption of debentures                                   |      | (400,000)            | (78,308)           |
| Repayment of current portion of long-term debts            |      | (500,451)            | (351,171)          |
| Repayment of short-term borrowings                         |      | (126,871)            |                    |
| Payment of cash dividends                                  |      | (178,908)            | (268,362)          |
| <b>Net cash used in financing activities</b>               |      | <b>267,222</b>       | <b>(697,841)</b>   |
| <b>Net increase(decrease) in cash and cash equivalents</b> |      | <b>(503,462)</b>     | <b>98,037</b>      |
| Cash and cash equivalents, beginning of the year           |      | 1,207,786            | 1,109,749          |
| <b>Cash and cash equivalents, end of the year</b>          |      | <b>(Won) 704,324</b> | <b>1,207,786</b>   |

See accompanying notes to non-consolidated financial statements.

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**Table of Contents**

**LG DISPLAY CO., LTD.**

**Notes to Non-Consolidated Financial Statements**

**December 31, 2009 and 2008**

**1 Organization and Description of Business**

LG Display Co., Ltd. (the Company) was incorporated in 1985 under its original name of LG Soft, Ltd. as a wholly owned subsidiary of LG Electronics Inc. In 1998, LG Electronics Inc. and LG Semicon Co., Ltd. transferred their respective Thin Film Transistor Liquid Crystal Display (TFT-LCD) related business to the Company. The main business of the Company is to manufacture and sell TFT-LCD panels. In July 1999, LG Electronics Inc. and Koninklijke Philips Electronics N.V. (Philips) entered into a joint venture agreement. Pursuant to the agreement, the Company changed its name to LG.Philips LCD Co., Ltd. However, on February 29, 2008, the Company changed its name to LG Display Co., Ltd. based upon the approval of shareholders at the general shareholders' meeting on the same date as a result of the decrease in Philips' share interest in the Company and the possibility of its business expansion to Organic Light Emitting Diode (OLED) and Flexible Display products. In March 2009, Philips, which used to be one of the major shareholders of the Company, sold all of its share holdings, 47,225 thousand shares, of the Company. As of December 31, 2009, LG Electronics Inc. owns 37.9% (135,625 thousand shares) of the Company's common shares.

As of December 31, 2009, the Company has LCD Research & Development Center and TFT-LCD manufacturing plants in Paju and TFT-LCD manufacturing plants and OLED manufacturing plant in Gumi. The Company has overseas subsidiaries located in the United States of America, Europe and Asia.

**2 Summary of Significant Accounting Policies and Basis of Presenting Financial Statements**

***(a) Significant Accounting Policies***

The significant accounting policies followed by the Company in the preparation of its non-consolidated financial statements are the same as those followed by the Company in its preparation of annual non-consolidated financial statements for the year ended December 31, 2008.

***(b) Basis of Presenting Financial Statements***

The Company maintains its accounting records in Korean Won and prepares statutory financial statements in the Korean language in conformity with the accounting principles generally accepted in the Republic of Korea. Certain accounting principles applied by the Company that conform with financial accounting standards and accounting principles in the Republic of Korea may not conform with generally accepted accounting principles (GAAP) in other countries. Accordingly, these non-consolidated financial statements are intended for use only by those who are informed about Korean accounting principles and practices. The accompanying non-consolidated financial statements have been translated into English from the Korean language non-consolidated financial statements.

***(c) Revenue Recognition***

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the Company's customers, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and other cash incentives paid to customers.



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**LG DISPLAY CO., LTD.**

**Notes to Non-Consolidated Financial Statements (Continued)**

**December 31, 2009 and 2008**

**2 Summary of Significant Accounting Policies and Basis of Presenting Financial Statements, Continued**

***(d) Cash and Cash Equivalents***

Cash and cash equivalents include cash on hand and in banks, and financial instruments with maturity of three months or less at the time of purchase. These financial instruments are readily convertible into cash without significant transaction costs and bear low risks from changes in value due to interest rate fluctuations.

***(e) Allowance for Doubtful Accounts***

Allowance for doubtful accounts is estimated based on an analysis of individual accounts and past experience of collection and presented as a deduction from trade receivables.

***(f) Inventories***

Inventories are stated at the lower of cost or market value, with cost being determined by a weighted-average method, except for the materials in transit, which is determined by a specific identification method. Valuation loss, which is comprised of the amount of any write-down of inventories to market value and the amount of loss from the difference between the quantity of inventories recorded in the financial statements and the actual quantity incurred in the ordinary course of business, is added to the cost of goods sold. Valuation loss for the holding inventories is presented as a reduction of the inventories. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed and reduces cost of sales to the extent that revised book value does not exceed the book value that would have been recorded without the impairment.

Variable production overheads are allocated based on the actual level of production and fixed production overheads are allocated based on the actual capacity of production facilities. However, the normal capacity may be used for allocation of fixed production overheads if the actual level of production is lower than the normal capacity. The difference between actual fixed production overheads and allocated amount based on the normal level of production is recognized as capacity variances in non-operating expenses.

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**LG DISPLAY CO., LTD.**

**Notes to Non-Consolidated Financial Statements (Continued)**

**December 31, 2009 and 2008**

**2 Summary of Significant Accounting Policies and Basis of Presenting Financial Statements, Continued**

***(g) Investments in Securities***

Upon acquisition, the Company classifies debt and equity securities, excluding investments in subsidiaries, associates and joint ventures, into the following categories: held-to-maturity, trading securities or available-for-sale securities. This classification is reassessed at each balance sheet date.

Investments in debt securities where the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity. Securities that are acquired principally for the purpose of selling in the short-term are classified as trading securities. Investments not classified as either held-to-maturity or trading securities are classified as available-for-sale securities.

Investments in securities are initially recognized at the fair value of considerations provided by the Company for the acquisition of securities and related transaction costs.

Held-to-maturity investments are carried at amortized cost. Trading and available-for-sale securities are subsequently carried at fair value. Investments in available-for-sale equity securities that do not have readily determinable fair values are recognized at cost less impairment, if any.

Gains and losses arising from changes in the fair value of trading securities are included in the income statement in the period in which they arise. Unrealized gains and losses arising from changes in the fair value of available-for-sale securities are recognized as accumulated other comprehensive income or loss, net of tax, directly in equity. Gains and losses of available-for-sale securities are recognized in the income statement when the securities are disposed or an impairment loss is recognized. Held-to-maturity investments are carried at amortized cost with interest income and expense recognized in the income statement using the effective interest method.

The Company assesses at the end of each reporting period whether there is any objective evidence that investments in securities are impaired. Impairment losses are recognized when the reasonably estimated recoverable amounts are less than the carrying amount and it is not obviously evidenced that impairment is unnecessary.

Trading securities are presented as current assets. Available-for-sale securities, which mature within one year from the balance sheet date or where the likelihood of disposal within one year from the balance sheet date is probable, are presented as current assets. Held-to-maturity securities, which mature within one year from the balance sheet date, are presented as current assets. All other available-for-sale securities and held-to-maturity securities are presented as long-term investments.

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**LG DISPLAY CO., LTD.**

**Notes to Non-Consolidated Financial Statements (Continued)**

**December 31, 2009 and 2008**

**2 Summary of Significant Accounting Policies and Basis of Presenting Financial Statements, Continued**

***(h) Equity Method Investments***

Investments in associates and subsidiaries of which the Company has the ability to significantly influence are accounted for using the equity method of accounting. The Company records changes in its proportionate ownership in the net assets of the associates and subsidiaries in current operations or as adjustments to other comprehensive income (loss) or retained earnings, depending on the nature of the underlying change in the net assets of the associates and subsidiaries. If the carrying amount of an investment in an associate or subsidiary falls below zero as a result of reflecting the investee's losses when the equity method is applied, the Company discontinues recognizing further changes in its share of equity interest in the associate or subsidiary and the related investment is accounted for at nil value. However, if the Company holds interest in the associate or subsidiary, including preferred stocks, long-term loans and receivables issued by the associate or subsidiary, the Company continues to account for the losses of the associate or subsidiary until the carrying amount of the interest is reduced to zero.

Unrealized gains on transactions between the Company and its associates or subsidiaries are eliminated to the extent of the Company's interest in each associate or subsidiary. Unrealized gains are accounted for as a reduction of the carrying amount of the investment in the associate, while unrealized losses are added to the carrying amount of the investment in the associate. However, in the case of unrealized gains or losses arising from sales by the Company to the subsidiaries, they are fully eliminated.

At the date of acquisition of an investment in an associate or subsidiary, the Company's share of the difference between the fair value and book value of the identifiable assets and liabilities of an associate or subsidiary is amortized or reinstated in accordance with the associate or subsidiary's methods of accounting for assets and liabilities. The amount of goodwill or negative goodwill is calculated as the difference between the acquisition cost of an investment in an associate or subsidiary and the Company's share of the fair value of the identifiable net assets of the associate or subsidiary. Goodwill is amortized using the straight-line method over five years. The amount of negative goodwill up to the fair value of depreciable non-monetary assets is recognized using the straight-line method as a gain over the weighted average useful lives and the remainder of negative goodwill up to the fair value of non-depreciable assets is recognized as a gain in the period of disposal of the assets. Any excess of negative goodwill over the fair value of identifiable non-monetary assets is recognized as a gain at the date of acquisition.

Assets and liabilities of a foreign company subject to the equity method of accounting for investments are translated into Korean Won at the rates of exchange prevailing at the end of the reporting period, while its equity is translated at the exchange rate at the time of transactions, and income statement accounts at the average rate over the year. Resulting translation gains and losses are recorded as accumulated other comprehensive income and loss.

***(i) Interest in Joint Ventures***

Joint ventures are those entities two or more venturers are bound by a contractual arrangement and the contractual arrangement establishes a joint control. The Company accounts for its interest in a jointly controlled entity using the equity method of accounting.

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****2 Summary of Significant Accounting Policies and Basis of Presenting Financial Statements, Continued*****(j) Property, Plant and Equipment***

Upon acquisition, property, plant and equipment are stated at cost, which includes acquisition cost or production cost and other costs required to prepare the asset for its intended use as well as capitalized financial expense. Assets acquired through investment in kind or donations are recorded at their fair value upon acquisition. For assets acquired in exchange for a similar asset, the carrying amount of the asset given up is used to measure the cost of the asset received, and for assets acquired in exchange for a dissimilar asset, the fair value of the asset given up is used to measure the cost of the asset received unless the fair value of the asset received is more clearly evident.

Depreciation is computed by using the straight-line method over the estimated useful lives for the assets with the depreciable amount is determined after deducting its residual value from the cost. Assets are stated at cost less accumulated amortization and accumulated impairment loss, if any.

Estimated useful lives of the assets are as follows:

|                               | <b>Estimated useful lives (years)</b> |
|-------------------------------|---------------------------------------|
| Buildings                     | 20, 40                                |
| Structures                    | 20, 40                                |
| Machinery and equipment       | 4                                     |
| Vehicles                      | 4, 12                                 |
| Tools, furniture and fixtures | 4                                     |

Significant additions or improvement extending the useful lives or increasing the value of the assets are capitalized. Normal maintenance and repairs are charged to expenses as incurred.

***(k) Intangible Assets***

Intangible assets are stated at cost, which includes acquisition or production cost and other costs required to prepare the asset for its intended use, less accumulated amortization and accumulated impairment loss, if any. Amortization commences when the asset is available for use, and the residual value of an intangible asset is assumed to be zero.

Costs incurred during the development phase are recognized as assets only if the criteria for capitalization as an intangible asset are met, otherwise costs are recognized as a development cost in cost of sales or selling, general and administrative expenses. Any expenditure incurred in the research phase is recognized as research expense in selling, general and administrative expenses.

Intangible assets are amortized using the straight-line method over the following estimated useful lives:

|   | <b>Estimated useful lives (years)</b> |
|---|---------------------------------------|
| Intellectual property rights                        | 5, 10                                 |
| Rights to use electricity and gas supply facilities | 10                                    |

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Rights to use industrial water facilities  
Software

10  
4

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**LG DISPLAY CO., LTD.**

**Notes to Non-Consolidated Financial Statements (Continued)**

**December 31, 2009 and 2008**

**2 Summary of Significant Accounting Policies and Basis of Presenting Financial Statements, Continued**

***(l) Grants Received***

Grants received from government and other third parties, which are to be repaid, are recorded as a liability. While non-refundable grants received are presented as a reduction of the acquisition cost of the acquired assets, grants received for a specific purpose, not related to the acquisition of assets, are offset against the related expense, and other grants received are recorded as other income.

***(m) Impairment of Assets***

When the book value of an asset is significantly greater than its recoverable value due to obsolescence, physical damage or an abrupt decline in the market value of the asset, the decline in value is deducted from the book value to agree with the recoverable amount and is recognized as an asset impairment loss for the period. When the recoverable value subsequently exceeds the book value, the reversal of impairment amount is recognized as a gain for the period to the extent that the revised book value does not exceed the book value that would have been recorded without the impairment.

***(n) Convertible Bonds***

When accounting for a convertible bond, the liability component and the equity component of a bond are separated. At the date of issue, the liability component of the bond is calculated at the fair value of a similar debt security without conversion rights, which is the present value of future cash flows from an ordinary bond until maturity and the equity component is calculated as the difference between the gross proceeds of the bond received at the date of issue and the amount of liability component. The equity component of the convertible bond is presented as a part of capital surplus within equity. Subsequent to initial recognition, the liability component is measured at amortized cost using the effective interest rate method; however, the equity component is not remeasured subsequent to initial recognition.

***(o) Stock and Bond Issue Costs***

Stock issue cost is deducted from the gross proceeds from issuance of those stocks and bond issue cost is adjusted to issuance price of debentures and, in turn, discount or premium on debentures.

***(p) Discount (Premium) on Debentures***

Discount (premium) on debentures, which represents the difference between the face value and issuance price of debentures, is amortized (accrued) using the effective interest method over the life of the debentures. The amount amortized (accrued) is included in interest expense.

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**LG DISPLAY CO., LTD.**

**Notes to Non-Consolidated Financial Statements (Continued)**

**December 31, 2009 and 2008**

**2 Summary of Significant Accounting Policies and Basis of Presenting Financial Statements, Continued**

***(q) Retirement and Severance Benefits***

Employees and directors with at least one year of service are entitled to receive a lump-sum payment upon termination of their employment with the Company. Accrued severance benefits represent the amount which would be payable assuming all eligible employees and directors were to terminate their employment as of the end of the reporting period.

The Company has partially funded the accrued severance benefits through severance insurance deposits with insurance companies. Deposits made by the Company are recorded as a deduction from accrued severance benefits. In the case that the deposits are greater than the balance of accrued severance benefits, the excess portion of deposits over accrued severance benefits is recorded as other investments. The Company deposited a certain portion of severance benefits to the National Pension Service according to the prior National Pension Law. The deposit amount is recorded as a deduction from accrued severance benefits.

***(r) Valuation of Receivables and Payables at Present Value***

Receivables and payables arising from long-term cash loans or borrowings and other similar transactions are discounted using appropriate discount rates and stated at present value. The difference between the nominal value and present value of these receivables or payables is amortized using the effective interest rate method. The amount amortized is included in interest expense or interest income.

***(s) Foreign Currency Translation***

Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated into Korean Won at the foreign exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Korean Won using the foreign exchange rates prevailing at the end of the reporting period, with the resulting gains or losses recognized in the statement of income.

***(t) Derivatives***

The Company enters into foreign currency forward contracts to manage the foreign currency risk exposures to the changes in fair value of foreign currency denominated accounts receivable and accounts payable. In addition, the Company entered into cross currency swap and interest rate swap contracts to manage the interest rate and foreign currency risk exposures to the variability of future cash flows of floating rate notes.

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value at each end of the reporting period. Attributable transaction costs are recognized in profit or loss when incurred.

Where a derivative, which meets certain criteria, is used for hedging the exposure to changes in the fair value of a recognized asset or liability, it is designated as a fair value hedge. Where a derivative, which meets certain criteria, is used for hedging the exposure to the variability of the future cash flows of a forecasted transaction, it is designated as a cash flow hedge.

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**LG DISPLAY CO., LTD.**

**Notes to Non-Consolidated Financial Statements (Continued)**

**December 31, 2009 and 2008**

**2 Summary of Significant Accounting Policies and Basis of Presenting Financial Statements, Continued**

***(t) Derivatives, Continued***

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of the changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in equity, other comprehensive income or loss. Amounts accumulated in equity are recycled to the income statement in the periods in which the hedged item will affect profit or loss or adjusted to the carrying value of an asset or liability of the related to the hedged transaction. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognized in income when the forecast transaction is ultimately recognized in the statement of income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of income.

The Company documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis at each end of the reporting period, of whether the derivatives that are used in hedging transactions are highly effective in offsetting the changes in fair values or cash flows of hedged items and recognizes the gain or loss related to any ineffective portion immediately in the statement of income.

***(u) Provisions and Contingent Liabilities***

When it is probable that an outflow of economic benefits will occur due to a present obligation resulting from a past event, and whose amount is reasonably estimable, a corresponding amount of provision is recognized in the financial statements. However, when such outflow is dependent upon a future event, is not probable to occur, or cannot be reliably estimated, a disclosure regarding the contingent liability is made in the notes to the financial statements.

***(v) Income Taxes***

Income tax expense includes the current income tax under the relevant income tax laws and the changes in deferred tax assets or liabilities. Deferred tax assets and liabilities represent the amount of future income tax payables to be decreased or increased, respectively, by temporary differences, which is the difference between the carrying amounts of assets and liabilities for financial reporting purpose and the tax bases of assets and liabilities, and unused loss carryforwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences, unused losses, and unused tax credits can be utilized. Deferred tax assets and liabilities are computed on temporary differences by applying enacted statutory tax rates applicable to the years when such differences are expected to reverse. Changes in the carrying amount of deferred tax assets or liabilities result from a change in tax rates or tax laws are recognized in the income statement except to the extent that the changes relate to items previously reflected directly in the shareholders' equity.



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**LG DISPLAY CO., LTD.**

**Notes to Non-Consolidated Financial Statements (Continued)**

**December 31, 2009 and 2008**

**2 Summary of Significant Accounting Policies and Basis of Presenting Financial Statements, Continued**

***(w) Sale or Discount of Accounts Receivable***

The Company sells or discounts certain accounts or notes receivable to financial institutions, and accounts for the transactions as sale of the receivables if the control over the receivables is substantially transferred to the buyers. The losses from the sale of the receivables are charged to current operations as incurred.

***(x) Earnings Per Share***

Earnings per share are calculated by dividing net income attributable to stockholders of the Company by the weighted-average number of shares outstanding during the period. Diluted earnings per share are determined by adjusting net income attributable to stockholders and the weighted-average number of shares outstanding for the effects of all dilutive potential shares.

***(y) Use of Estimates***

The preparation of non-consolidated financial statements in accordance with accounting principles generally accepted in the Republic of Korea requires management to make estimates and assumptions that affect the amounts reported in the non-consolidated financial statements and related notes to non-consolidated financial statements. Items requiring management's estimates and assumptions include, but not limited to, the valuation of property, plant and equipment, accounts receivable, inventories, deferred income tax and derivative contracts. Actual results may differ from those estimates.

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****3 Cash and Cash Equivalents and Short-term Financial Instruments**

Cash and cash equivalents and short-term financial instruments as of December 31, 2009 and 2008 are as follows:

*(In millions of Won)*

|   | Annual<br>interest rate(%)<br>at December 31,<br>2009 | 2009            | 2008      |
|---|---|-----------------|-----------|
| <b>Cash and cash equivalents</b>        |   |                 |           |
| Checking accounts                       |   | (Won) 98        | 141       |
| Time deposits                           | 3.57~3.65   | 374,737         | 601,692   |
| Passbook accounts in foreign currencies | 0.07~1.96   | 329,489         | 605,953   |
|   |   | 704,324         | 1,207,786 |
| <b>Short-term financial instruments</b> |   |                 |           |
| Time deposits and others                | 3.30~4.44   | 2,500,000       | 2,055,000 |
|   |   | (Won) 3,204,324 | 3,262,786 |

**4 Receivables**

The Company's allowance for doubtful accounts on receivables, including trade accounts and notes receivable, as of December 31, 2009 and 2008 is as follows:

*(In millions of Won)*

|                                     | Gross amount    | 2009<br>Allowance for<br>doubtful<br>accounts | Carrying value |
|-------------------------------------|-----------------|---|----------------|
| Trade accounts and notes receivable | (Won) 3,023,191 | 33  | 3,023,158      |
| Other accounts receivable           | 81,502          | 89  | 81,413         |
| Accrued income                      | 41,360          | 119   | 41,241         |
| Advance payments                    | 11,300          | 113   | 11,187         |

*(In millions of Won)*

|                                     | Gross amount    | 2008<br>Allowance for<br>doubtful<br>accounts | Carrying value |
|-------------------------------------|-----------------|---|----------------|
| Trade accounts and notes receivable | (Won) 1,695,871 | 293   | 1,695,578      |
| Other accounts receivable           | 41,792          | 222   | 41,570         |

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|                             |        |    |        |
|-----------------------------|--------|----|--------|
| Accrued income              | 88,237 | 62 | 88,175 |
| Advance payments            | 253    | 3  | 250    |
| Long-term other receivables | 184    | 2  | 182    |

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****4 Receivables, Continued**

During 2009 certain trade accounts and notes receivable arising sales have been sold to financial institutions, of which trade accounts and notes receivable from the Company's subsidiaries amounting to USD 187 million ((Won)217,784 million) and JPY 950 million ((Won)12,003 million) are current and outstanding as of December 31, 2009. For the year ended December 31, 2009, the Company recognized (Won)10,571 million as loss on disposal of trade accounts and notes receivable.

**5 Inventories**

Inventories as of December 31, 2009 and 2008 are as follows:

| <i>(In millions of Won)</i> | <b>2009</b>         |                       | <b>Book value</b> |
|-----------------------------|---------------------|-----------------------|-------------------|
|                             | <b>Gross amount</b> | <b>Valuation loss</b> |                   |
| Finished goods              | (Won) 397,330       | 11,812                | 385,518           |
| Work-in-process             | 571,612             | 27,541                | 544,071           |
| Raw materials               | 237,478             | 8,848                 | 228,630           |
| Supplies                    | 165,003             | 36,917                | 128,086           |
|                             | (Won) 1,371,423     | 85,118                | 1,286,305         |

| <i>(In millions of Won)</i> | <b>2008</b>         |                       | <b>Book value</b> |
|-----------------------------|---------------------|-----------------------|-------------------|
|                             | <b>Gross amount</b> | <b>Valuation loss</b> |                   |
| Finished goods              | (Won) 330,361       | 44,154                | 286,207           |
| Work-in-process             | 415,264             | 57,173                | 358,091           |
| Raw materials               | 173,708             | 5,520                 | 168,188           |
| Supplies                    | 95,685              | 26,668                | 69,017            |
|                             | (Won) 1,015,018     | 133,515               | 881,503           |

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****6 Available-for-Sale Securities**

Available-for-sale securities as of December 31, 2009 and 2008 are as follows:

*(In millions of Won)*

|   | Acquisition<br>cost | Beginning<br>balance | 2009<br>Unrealized gains (losses)<br>Changes in<br>unrealized<br>gains and<br>losses, net | Realized<br>gains on<br>disposition | Net<br>balance<br>at end of<br>year | Carrying<br>value<br>(fair value) |
|---|---------------------|----------------------|---|-------------------------------------|-------------------------------------|-----------------------------------|
| <b>Non-current asset</b>                |                     |                      |   |                                     |                                     |                                   |
| <b>Debt securities</b>                  |                     |                      |   |                                     |                                     |                                   |
| Government bonds                        | 83                  |                      |   |                                     |                                     | 83                                |
| Everlight Electronics Co., Ltd.(*2)     | 7,628               |                      | 1,599   |                                     | 1,599                               | 9,227                             |
|   | (Won) 7,711         |                      | 1,599   |                                     | 1,599                               | 9,310                             |
| <b>Equity securities</b>                |                     |                      |   |                                     |                                     |                                   |
| HannStar Display Corporation(*1)        | 96,249              | 33,248               | (31,775)  |                                     | 1,473                               | 97,722                            |
| Prime View International Co., Ltd. (*3) | 11,522              |                      | 1,390   |                                     | 1,390                               | 12,912                            |
|   | (Won) 107,771       | 33,248               | (30,385)  |                                     | 2,863                               | 110,634                           |
| <b>Total</b>                            | (Won) 115,482       | 33,248               | (28,786)  |                                     | 4,462                               | 119,944                           |

(\*1) In February 2008, the Company purchased 180 million shares of non-voting mandatorily redeemable convertible preferred stock of HannStar Display Corporation ( Hannstar ) located in Taiwan. The preferred stocks are convertible into common stocks of HannStar at a ratio of 1:1 at the option of the Company from the issue date, February 28, 2008, to the maturity, February 28, 2011. In 2009, there is no preferred stock converted into common stock.

The Company has a put option for total or partial cash redemption of convertible preferred stocks during the period from 18 months after issuance of the convertible preferred stocks to 91 days prior to maturity of them and the issuer has a call option to repay, in cash, total preferred stocks during the period from 2 years after issuance to 90 days prior to maturity.

The abovementioned convertible preferred stocks have been privately placed under the Taiwanese Law, which restricts the sale of the preferred stocks (up to 3 years), and the stocks acquired through conversion are not to be traded in the Taiwanese Stock Exchange until the original maturity of the preferred stocks.

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****6 Available-for-Sale Securities, Continued**

(\*2) In November 2009, the Company acquired convertible bonds of Everlight Electronics Co., Ltd. ( Everlight ), a Taiwanese company which has LED packaging technologies, for strategic alliance purposes.

(\*3) In December 2009, the Company purchased 420,000 GDRs (Global Depository Receipt) of Prime View International Co., Ltd. ( PVI ) for strategic alliance purposes.

The fair values of the preferred stock of HannStar and the convertible bonds of Everlight have been computed by discounting estimated cash flows from the stock using yield rate that reflects HannStar's and Everlight's credit risks. The fair value of PVI's GDRs is listed price in Luxembourg Stock Exchange.

*(In millions of Won)*

|                              | Acquisition<br>cost | Beginning<br>balance | 2008<br>Unrealized gains (losses)<br>Changes in<br>unrealized<br>gains and<br>losses, net |  | Realized<br>gains on<br>disposition | Net<br>balance<br>at end of<br>year | Carrying<br>value<br>(fair value) |
|------------------------------|---------------------|----------------------|---|--|-------------------------------------|-------------------------------------|-----------------------------------|
|                              |                     |                      |   |  |                                     |                                     |                                   |
| <b>Current asset</b>         |                     |                      |   |  |                                     |                                     |                                   |
| <b>Debt securities</b>       |                     |                      |   |  |                                     |                                     |                                   |
| Government bonds             | (Won) 74            |                      |   |  |                                     |                                     | 74                                |
| <b>Non-current asset</b>     |                     |                      |   |  |                                     |                                     |                                   |
| <b>Equity securities</b>     |                     |                      |   |  |                                     |                                     |                                   |
| HannStar Display Corporation | (Won) 96,249        |                      | 33,248  |  |                                     | 33,248                              | 129,497                           |

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****7 Equity Method Investments**

(a) 2009

(i) Investments in companies accounted for using the equity method as of December 31, 2009 are as follows:

*(In millions of Won)*

| Company  | Percentage of Ownership (%) | Acquisition cost | Net asset value | Carrying value |
|--|-----------------------------|------------------|-----------------|----------------|
| LG Display America, Inc.   | 100.00                      | 6,082            | (404,476)       |                |
| LG Display Germany GmbH  | 100.00                      | 1,252            | 14,688          | 113            |
| LG Display Japan Co., Ltd.                                       | 100.00                      | 1,088            | 15,533          | 9,500          |
| LG Display Taiwan Co., Ltd.                                      | 100.00                      | 6,076            | 29,704          | 21,784         |
| LG Display Nanjing Co., Ltd.                                     | 100.00                      | 197,132          | 408,200         | 408,331        |
| LG Display Shanghai Co., Ltd.                                    | 100.00                      | 596              | 11,026          | 1,094          |
| LG Display Poland Sp. zo.o.                                      | 80.29                       | 131,761          | 174,906         | 174,906        |
| LG Display Guangzhou Co., Ltd.                                   | 89.12                       | 120,809          | 172,269         | 164,952        |
| LG Display Shenzhen Co., Ltd.                                    | 100.00                      | 469              | 5,080           | 362            |
| Suzhou Raken Technology Ltd.                                     | 51.00                       | 86,745           | 100,003         | 94,797         |
| LG Display Singapore Pte. Ltd. (*1)                              | 100.00                      | 1,250            | 4,173           |                |
| LG Electronics (Nanjing) Plasma Co., Ltd. (*5)                   | 100.00                      | 3,503            | 2,790           | 2,790          |
| Paju Electric Glass Co., Ltd.                                    | 40.00                       | 14,400           | 36,256          | 33,901         |
| TLI Inc. (*4)  | 12.69                       | 14,074           | 9,914           | 13,345         |
| AVACO Co., Ltd. (*4)   | 19.90                       | 6,173            | 9,889           | 5,975          |
| New Optics Ltd.  | 36.68                       | 9,700            | 10,659          | 11,503         |
| Guangzhou New Vision Technology Research and Development Limited | 50.00                       | 3,655            | 3,996           | 3,996          |
| ADP Engineering Co., Ltd. (*2)                                   | 12.93                       | 6,330            | 4,328           | 4,124          |
| WooRee LED Co., Ltd. (*3)  | 29.57                       | 11,900           | 6,502           | 11,537         |
| Dynamic Solar Design Co., Ltd. (*3)                              | 40.00                       | 6,067            | 2,587           | 5,627          |
| RPO, Inc. (*3)   | 25.96                       | 14,538           | 4,858           | 14,538         |
| Global OLED Technology LLC (*6)                                  | 49.00                       | 72,250           | 72,250          | 72,250         |
| LB Gemini New Growth Fund No.16 (*7)                             | 30.64                       | 1,800            | 1,800           | 1,800          |
|  |                             | (Won) 717,650    | 696,935         | 1,057,225      |

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**Table of Contents**

**LG DISPLAY CO., LTD.**

**Notes to Non-Consolidated Financial Statements (Continued)**

**December 31, 2009 and 2008**

**7 Equity Method Investments, Continued**

- (\*1) LG Display Singapore Pte. Ltd. ( LGDSG ) was established in Singapore in January 2009, by incorporating the Singapore branch of the Company, to sell TFT-LCD products. It is wholly owned by the Company as of December 31, 2009.
- (\*2) In February 2009, the Company acquired 3,000,000 common shares of ADP Engineering Co., Ltd. ( ADP Engineering ) (12.9%) at (Won)6,330 million. Although the Company's share interests in ADP Engineering is below 20%, the Company is able to exercise significant influence through its right to assign a director in the board of directors of ADP Engineering and, accordingly, the investment in ADP Engineering has been accounted for using the equity method.
- (\*3) In May and June 2009, the Company acquired 6,800,000 and 933,332 common shares (29.6% and 40.0%) of WooRee LED Co., Ltd. and Dynamic Solar Design Co., Ltd. at (Won)11,900 million and (Won)6,067 million, respectively. Also, In November 2009, the Company acquired 34,125,061 common shares (26.0%) of RPO, Inc. at (Won)14,538 million.
- (\*4) Although the Company's share interests in these investees are below 20%, the Company is able to exercise significant influence through its right to assign a director in the board of directors of each investee and, accordingly, the investment in these investees have been accounted for using the equity method. As of December 31, 2009, the fair values of TLI Inc. and AVACO Co., Ltd., listed in KOSDAQ, are (Won)14,900 and (Won)7,170 per share, respectively.
- (\*5) In July 2009, the Company entered into a stock purchase agreement with LG Electronics Inc. and LG Electronics (China) Co., Ltd. for the acquisition of the shares of LG Electronics (Nanjing) Plasma Co., Ltd. in order to expand cell back-end process to module production. In accordance with the agreement, the Company acquired whole shares of LG Electronics (Nanjing) Plasma Co., Ltd. at (Won)3,503 million in December 2009.
- (\*6) The Company entered into a joint venture agreement with other LG affiliates, accordingly, Global OLED Technology LLC was set up with the purpose of managing and utilizing OLED patents purchased from Eastman Kodak Company. The Company acquired 49% equity interest in the joint venture and the Company's investment in this equity investee is (Won)72,250 million.
- (\*7) In December 2009, the Company joined the LB Gemini New Growth Fund No.16 as a member in a limited partnership with a view to searching for direct investment targets and gaining benefit from indirect investment. The Company invested (Won)1,800 million as a part of the agreed total investment amount up to (Won)30,000 million and acquired 30.6% equity interest in the fund.



**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****7 Equity Method Investments, Continued**

- (ii) Changes in goodwill and negative goodwill for equity method investments for the year ended December 31, 2009 are as follows:

*(In millions of Won)*

| Company                        | Balance at<br>January 1,<br>2009 | Increase<br>(Decrease) | Amortized<br>(Reversal)<br>amount | Balance at<br>December 31,<br>2009 |
|--------------------------------|----------------------------------|------------------------|-----------------------------------|------------------------------------|
| TLI Inc.                       | (Won) 4,964                      | (71)                   | (1,250)                           | 3,643                              |
| AVACO Co., Ltd.                | (661)                            |                        | 455                               | (206)                              |
| New Optics Ltd.                | 1,498                            |                        | (165)                             | 1,333                              |
| ADP Engineering Co., Ltd.      |                                  | (272)                  | 26                                | (246)                              |
| WooRee LED Co., Ltd.           |                                  | 5,594                  | (559)                             | 5,035                              |
| Dynamic Solar Design Co., Ltd. |                                  | 3,378                  | (338)                             | 3,040                              |
| RPO, Inc.                      |                                  | 9,680                  |                                   | 9,680                              |
|                                | (Won) 5,801                      | 18,309                 | (1,831)                           | 22,279                             |

- (iii) Details of eliminated unrealized gains and losses from transactions between the Company and equity investees as of December 31, 2009 are as follows:

*(In millions of Won)*

| Company                        | Inventories    | Property,<br>plant and<br>equipment | Accounts<br>receivable | Total    |
|--------------------------------|----------------|-------------------------------------|------------------------|----------|
| LG Display America, Inc.       | (Won) (24,746) |                                     |                        | (24,746) |
| LG Display Germany GmbH        | (14,589)       |                                     | 14                     | (14,575) |
| LG Display Japan Co., Ltd.     | (6,039)        |                                     | 6                      | (6,033)  |
| LG Display Taiwan Co., Ltd.    | (7,941)        |                                     | 21                     | (7,920)  |
| LG Display Nanjing Co., Ltd.   |                | 131                                 |                        | 131      |
| LG Display Shanghai Co., Ltd.  | (9,980)        |                                     | 48                     | (9,932)  |
| LG Display Guangzhou Co., Ltd. |                | (7,317)                             |                        | (7,317)  |
| LG Display Shenzhen Co., Ltd.  | (4,739)        |                                     | 21                     | (4,718)  |
| Suzhou Raken Technology Ltd.   | (5,178)        | (28)                                |                        | (5,206)  |
| LG Display Singapore Pte. Ltd. | (4,173)        |                                     |                        | (4,173)  |
| Paju Electric Glass Co., Ltd.  | (2,355)        |                                     |                        | (2,355)  |
| TLI Inc.                       | (212)          |                                     |                        | (212)    |
| AVACO Co., Ltd.                |                | (3,708)                             |                        | (3,708)  |
| New Optics Ltd.                | (489)          |                                     |                        | (489)    |
| ADP Engineering Co., Ltd.      |                | 42                                  |                        | 42       |

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(Won) (80,441)

(10,880)

110

(91,211)

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****7 Equity Method Investments, Continued**

- (iv) Changes in the balances of investments in the companies accounted for using the equity method for the year ended December 31, 2009 are as follows:

*(In millions of Won)*

| Company  | Balance at<br>January 1,<br>2009 | Acquisitions<br>during the<br>year | Dividend<br>received | Equity<br>income<br>(loss) | Accumulated<br>other<br>comprehensive<br>income | Other   | Balance at<br>December 31,<br>2009 |
|--|----------------------------------|------------------------------------|----------------------|----------------------------|---|---------|------------------------------------|
| LG Display America, Inc. (*1)  | (Won)                            |                                    |                      | (54,485)                   | 31,419  | 23,066  |                                    |
| LG Display Germany GmbH  | 19,373                           |                                    |                      | (18,071)                   | (1,189)   |         | 113                                |
| LG Display Japan Co., Ltd.   | 15,686                           |                                    |                      | (5,088)                    | (1,098)   |         | 9,500                              |
| LG Display Taiwan Co., Ltd.  | 35,230                           |                                    |                      | (14,405)                   | 959   |         | 21,784                             |
| LG Display Nanjing Co., Ltd.   | 409,200                          | 4,428                              | (28,004)             | 56,439                     | (32,620)  | (1,112) | 408,331                            |
| LG Display Hong Kong Co., Ltd. (*2)                                      | 2,000                            |                                    |                      | (202)                      | (159)   | (1,639) |                                    |
| LG Display Shanghai Co., Ltd.  | 9,093                            |                                    |                      | (8,117)                    | 118   |         | 1,094                              |
| LG Display Poland Sp. zo.o.  | 157,864                          |                                    |                      | 24,359                     | (7,317)   |         | 174,906                            |
| LG Display Guangzhou Co., Ltd.   | 100,279                          | 50,335                             |                      | 27,599                     | (13,261)  |         | 164,952                            |
| LG Display Shenzhen Co., Ltd.  | 3,467                            |                                    |                      | (2,597)                    | (508)   |         | 362                                |
| Suzhou Raken Technology Ltd.   | 18,328                           | 73,592                             |                      | 11,302                     | (8,425)   |         | 94,797                             |
| LG Display Singapore Pte. Ltd.   |                                  | 1,250                              |                      | (1,680)                    | 430   |         |                                    |
| LG Electronics (Nanjing) Plasma Co., Ltd.                                |                                  | 3,503                              |                      |                            |   | (713)   | 2,790                              |
| Paju Electric Glass Co., Ltd. (*3)                                       | 25,841                           |                                    |                      | 8,060                      |   |         | 33,901                             |
| TLI Inc. (*3)  | 12,565                           |                                    | (353)                | 1,316                      | (18)  | (165)   | 13,345                             |
| AVACO Co., Ltd. (*3)   | 6,021                            |                                    | (204)                | (63)                       | 221   |         | 5,975                              |
| New Optics Ltd. (*3)   | 11,721                           |                                    |                      | (418)                      | 200   |         | 11,503                             |
| Guangzhou New Vision Technology<br>Research and Development Limited (*3) | 4,569                            |                                    |                      | 273                        | (846)   |         | 3,996                              |
| ADP Engineering Co., Ltd. (*3)   |                                  | 6,330                              |                      | (2,206)                    |   |         | 4,124                              |
| WooRee LED Co., Ltd. (*3)  |                                  | 11,900                             |                      | (363)                      |   |         | 11,537                             |
| Dynamic Solar Design Co., Ltd. (*3)                                      |                                  | 6,067                              |                      | (440)                      |   |         | 5,627                              |
| RPO, Inc. (*3)   |                                  | 14,538                             |                      |                            |   |         | 14,538                             |
| Global OLED Technology LLC (*3)  |                                  | 72,250                             |                      |                            |   |         | 72,250                             |
| LB Gemini New Growth Fund No.16 (*3)                                     |                                  | 1,800                              |                      |                            |   |         | 1,800                              |
|  | (Won) 831,237                    | 245,993                            | (28,561)             | 21,213                     | (32,094)  | 19,437  | 1,057,225                          |

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**LG DISPLAY CO., LTD.**

**Notes to Non-Consolidated Financial Statements (Continued)**

**December 31, 2009 and 2008**

**7 Equity Method Investments, Continued**

- (\*1) LG Display America, Inc. ( LGDUS ) was sentenced to pay the fine of USD400 million by the U.S. Government. The Company recognized all losses related to LGDUS' s fine payable and recorded the cumulative loss in excess of the Company' s investment in LGDUS as long-term other accounts payable.
- (\*2) LG Display Hong Kong Co., Ltd. was liquidated in November 2009.
- (\*3) The Company accounted for its investments in these companies by using equity method of accounting based on the unaudited financial statements of the investees as it was unable to obtain the audited financial statements. The Company performed certain procedures to gain reasonableness of the unaudited financial statements.
- (v) Accumulated amounts of the investor' s share of losses in associates that were not recognized as the Company ceased to apply the equity method to the balance of its investment in the associate are as follows:

*(In millions of Won)*

| Company                        | Percentage of<br>ownership (%) | Amount        |
|--------------------------------|--------------------------------|---------------|
| LG Display Singapore Pte. Ltd. | 100.00                         | (Won) (5,472) |

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****7 Equity Method Investments, Continued**

(vi) A summary of investees' financial data as of and for the year ended December 31, 2009, is as follows:

*(In millions of Won)*

| <b>Company</b>   | <b>Total assets</b> | <b>Total liabilities</b> | <b>Total shareholders equity</b> | <b>Sales</b> | <b>Net income (loss)</b> |
|--|---------------------|--------------------------|----------------------------------|--------------|--------------------------|
| LG Display America, Inc.   | (Won) 615,904       | 1,020,380                | (404,476)                        | 2,857,404    | (21,742)                 |
| LG Display Germany GmbH  | 792,780             | 778,092                  | 14,688                           | 3,524,751    | 4,390                    |
| LG Display Japan Co., Ltd.                                       | 258,636             | 243,103                  | 15,533                           | 1,754,854    | 4,619                    |
| LG Display Taiwan Co., Ltd.                                      | 548,417             | 518,713                  | 29,704                           | 3,293,800    | 2,254                    |
| LG Display Nanjing Co., Ltd.                                     | 549,667             | 141,467                  | 408,200                          | 435,439      | 55,462                   |
| LG Display Hong Kong Co., Ltd.                                   |                     |                          |                                  |              | (202)                    |
| LG Display Shanghai Co., Ltd.                                    | 613,312             | 602,286                  | 11,026                           | 2,937,927    | 3,856                    |
| LG Display Poland Sp. zo.o.                                      | 365,054             | 190,148                  | 174,906                          | 128,444      | 24,359                   |
| LG Display Guangzhou Co., Ltd.                                   | 342,679             | 170,410                  | 172,269                          | 228,641      | 29,703                   |
| LG Display Shenzhen Co., Ltd.                                    | 143,311             | 138,231                  | 5,080                            | 1,402,129    | 2,188                    |
| Suzhou Raken Technology Ltd.                                     | 487,652             | 291,568                  | 196,084                          | 1,494,555    | 43,222                   |
| LG Display Singapore Pte. Ltd.                                   | 282,245             | 278,072                  | 4,173                            | 1,716,416    | 2,493                    |
| LG Electronics (Nanjing) Plasma Co., Ltd.                        | 37,387              | 34,597                   | 2,790                            | 16,298       | (35,001)                 |
| Paju Electric Glass Co., Ltd. (*)                                | 207,269             | 116,628                  | 90,641                           | 636,832      | 23,407                   |
| TLI Inc.   | 117,680             | 39,590                   | 78,090                           | 89,765       | 19,385                   |
| AVACO Co., Ltd.  | 96,583              | 48,263                   | 48,320                           | 122,174      | 9,055                    |
| New Optics Ltd.  | 175,152             | 146,091                  | 29,061                           | 474,886      | (882)                    |
| Guangzhou New Vision Technology Research and Development Limited | 8,001               | 9                        | 7,992                            |              | 546                      |
| ADP Engineering Co., Ltd.  | 73,471              | 41,351                   | 32,120                           | 63,136       | (19,334)                 |
| WooRee LED Co., Ltd.   | 38,509              | 16,517                   | 21,992                           | 43,814       | 1,376                    |
| Dynamic Solar Design Co., Ltd.                                   | 7,484               | 1,019                    | 6,465                            |              | (297)                    |
| RPO, Inc.  | 19,209              | 494                      | 18,715                           | 156          | (6,281)                  |
| Global OLED Technology LLC                                       | 147,450             |                          | 147,450                          |              |                          |
| LB Gemini New Growth Fund No.16                                  | 5,874               |                          | 5,874                            |              |                          |
|  | (Won) 5,933,726     | 4,817,029                | 1,116,697                        | 21,221,421   | 142,576                  |

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****7 Equity Method Investments, Continued**

- (\*) The financial statements of Paju Electric Glass Co., Ltd. were adjusted to conform to the Company's accounting policy. Details of the changes made and their effects on the financial statements are as follows:

*(In millions of Won)*

| Reason for adjustment            | Net asset value<br>before<br>adjustment | Net asset value<br>after<br>adjustment | Net income<br>before<br>adjustment | Net income<br>after<br>adjustment |
|----------------------------------|---|--|------------------------------------|-----------------------------------|
| Agreement of depreciation method | (Won) 78,636                            | 90,641                                 | 17,794                             | 23,407                            |

(b) 2008

- (i) Investments in companies accounted for using the equity method as of December 31, 2008 are as follows:

*(In millions of Won)*

| Company  | Percentage of<br>ownership(%) | Acquisition<br>cost | Net asset<br>value | Carrying<br>value |
|--|-------------------------------|---------------------|--------------------|-------------------|
| LG Display America, Inc.   | 100.00                        | (Won) 6,082         | (414,154)          |                   |
| LG Display Germany GmbH  | 100.00                        | 1,252               | 11,487             | 19,373            |
| LG Display Japan Co., Ltd.                                       | 100.00                        | 1,088               | 12,012             | 15,686            |
| LG Display Taiwan Co., Ltd.                                      | 100.00                        | 6,076               | 26,491             | 35,230            |
| LG Display Nanjing Co., Ltd.                                     | 100.00                        | 192,704             | 410,046            | 409,200           |
| LG Display Hong Kong Co., Ltd.                                   | 100.00                        | 1,736               | 2,000              | 2,000             |
| LG Display Shanghai Co., Ltd.                                    | 100.00                        | 596                 | 7,052              | 9,093             |
| LG Display Poland Sp. zo.o.                                      | 80.29                         | 131,761             | 157,864            | 157,864           |
| LG Display Guangzhou Co., Ltd.                                   | 84.21                         | 70,474              | 105,492            | 100,279           |
| LG Display Shenzhen Co., Ltd.                                    | 100.00                        | 469                 | 3,400              | 3,467             |
| Suzhou Raken Technology Ltd.                                     | 51.00                         | 13,153              | 12,950             | 18,328            |
| Paju Electric Glass Co., Ltd.                                    | 40.00                         | 14,400              | 26,893             | 25,841            |
| TLI Inc.   | 12.90                         | 14,074              | 7,861              | 12,565            |
| AVACO Co., Ltd.  | 19.90                         | 6,173               | 8,056              | 6,021             |
| New Optics Ltd.  | 36.68                         | 9,700               | 10,782             | 11,721            |
| Guangzhou New Vision Technology Research and Development Limited | 50.00                         | 3,655               | 4,569              | 4,569             |
|  |                               | (Won) 473,393       | 392,801            | 831,237           |



**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****7 Equity Method Investments, Continued**

- (ii) Changes in goodwill and negative goodwill for equity method investments for the year ended December 31, 2008 are as follows:

*(In millions of Won)*

| Company         | Balance at<br>January 1,<br>2008 | Increase<br>(Decrease) | Amortized<br>(Reversal)<br>amount | Balance at<br>December 31,<br>2008 |
|-----------------|----------------------------------|------------------------|-----------------------------------|------------------------------------|
| TLI Inc.        | (Won)                            | 5,531                  | (567)                             | 4,964                              |
| AVACO Co., Ltd. |                                  | (888)                  | 227                               | (661)                              |
| New Optics Ltd. |                                  | 1,566                  | (68)                              | 1,498                              |
|                 | (Won)                            | 6,209                  | (408)                             | 5,801                              |

- (iii) Details of eliminated unrealized gains and losses from transactions between the Company and equity investees as of December 31, 2008 are as follows:

*(In millions of Won)*

| Company                        | Inventories  | Property,<br>plant and<br>equipment | Accounts<br>receivable | Total   |
|--------------------------------|--------------|-------------------------------------|------------------------|---------|
| LG Display America, Inc.       | (Won) 7,542  |                                     | 455                    | 7,997   |
| LG Display Germany GmbH        | 7,080        |                                     | 806                    | 7,886   |
| LG Display Japan Co., Ltd.     | 3,362        |                                     | 312                    | 3,674   |
| LG Display Taiwan Co., Ltd.    | 8,323        |                                     | 416                    | 8,739   |
| LG Display Nanjing Co., Ltd.   |              | (846)                               |                        | (846)   |
| LG Display Shanghai Co., Ltd.  | 1,709        |                                     | 332                    | 2,041   |
| LG Display Guangzhou Co., Ltd. |              | (5,213)                             |                        | (5,213) |
| LG Display Shenzhen Co., Ltd.  | 15           |                                     | 52                     | 67      |
| Suzhou Raken Technology Ltd.   | 5,535        |                                     |                        | 5,535   |
| Paju Electric Glass Co., Ltd.  | (1,052)      |                                     |                        | (1,052) |
| TLI Inc.                       | (260)        |                                     |                        | (260)   |
| AVACO Co., Ltd.                | (1,374)      |                                     |                        | (1,374) |
| New Optics Ltd.                | (559)        |                                     |                        | (559)   |
|                                | (Won) 30,321 | (6,059)                             | 2,373                  | 26,635  |



**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****7 Equity Method Investments, Continued**

- (iv) Changes in the balances of investments in companies accounted for using the equity method for the year ended December 31, 2008 are as follows:

*(In millions of Won)*

| Company   | Balance at<br>January 1,<br>2008 | Acquisitions<br>during the<br>year | Dividend<br>received | Equity<br>income<br>(loss) | Accumulated<br>other<br>comprehensive<br>income | Other   | Balance at<br>December 31,<br>2008 |
|---|----------------------------------|------------------------------------|----------------------|----------------------------|---|---------|------------------------------------|
| LG Display America, Inc.  | (Won) 1,486                      |                                    |                      | (438,736)                  | 31,094  | 406,156 |                                    |
| LG Display Germany GmbH   |                                  |                                    |                      | 17,191                     | 2,182   |         | 19,373                             |
| LG Display Japan Co., Ltd.  | 2,660                            |                                    |                      | 8,626                      | 4,400   |         | 15,686                             |
| LG Display Taiwan Co., Ltd.   | 4,918                            |                                    |                      | 24,683                     | 5,629   |         | 35,230                             |
| LG Display Nanjing Co., Ltd.  | 235,386                          |                                    |                      | 76,511                     | 97,303  |         | 409,200                            |
| LG Display Hong Kong Co., Ltd.  | 7,564                            |                                    | (6,427)              | (5)                        | 868   |         | 2,000                              |
| LG Display Shanghai Co., Ltd.   |                                  |                                    |                      | 7,638                      | 1,455   |         | 9,093                              |
| LG Display Poland Sp. zo.o.   | 154,231                          |                                    |                      | (15,042)                   | 18,675  |         | 157,864                            |
| LG Display Guangzhou Co., Ltd.  | 58,152                           |                                    |                      | 12,959                     | 29,168  |         | 100,279                            |
| LG Display Shenzhen Co., Ltd.   |                                  |                                    |                      | 2,648                      | 819   |         | 3,467                              |
| Suzhou Raken Technology Ltd.(*)   |                                  | 13,153                             |                      | 5,409                      | (234)   |         | 18,328                             |
| Paju Electric Glass Co., Ltd. (*)                                       | 24,704                           |                                    | (5,760)              | 6,897                      |   |         | 25,841                             |
| TLI Inc. (*)  |                                  | 14,074                             |                      | (822)                      | (587)   | (100)   | 12,565                             |
| AVACO Co., Ltd. (*)   |                                  | 6,173                              |                      | (36)                       | (116)   |         | 6,021                              |
| New Optics Ltd.(*)  |                                  | 9,700                              |                      | 1,580                      | 441   |         | 11,721                             |
| Guangzhou New Vision Technology<br>Research and Development Limited (*) |                                  | 3,655                              |                      | (31)                       | 945   |         | 4,569                              |
|   | (Won) 489,101                    | 46,755                             | (12,187)             | (290,530)                  | 192,042   | 406,056 | 831,237                            |

- (\*) The Company accounted for its investments in these companies by using equity method of accounting based on the unaudited financial statements of the investees as it was unable to obtain the audited financial statements. However, the Company performed certain procedures to gain reasonableness of the unaudited financial statements.

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****7 Equity Method Investments, Continued**

(v) A summary of investees' financial data as of and for the year ended December 31, 2008, is as follows:

(In millions of Won)

| Company  | Total<br>assets | Total<br>liabilities | Total<br>shareholders<br>equity | Sales      | Net<br>income<br>(loss) |
|--|-----------------|----------------------|---------------------------------|------------|-------------------------|
| LG Display America, Inc.   | (Won) 309,739   | 723,893              | (414,154)                       | 2,270,393  | (455,544)               |
| LG Display Germany GmbH  | 572,538         | 561,051              | 11,487                          | 2,831,857  | 2,660                   |
| LG Display Japan Co., Ltd.                                       | 202,028         | 190,016              | 12,012                          | 1,610,953  | 1,781                   |
| LG Display Taiwan Co., Ltd.                                      | 453,944         | 427,453              | 26,491                          | 3,659,801  | 5,322                   |
| LG Display Nanjing Co., Ltd.                                     | 606,131         | 196,085              | 410,046                         | 374,053    | 74,862                  |
| LG Display Hong Kong Co., Ltd.                                   | 2,010           | 10                   | 2,000                           |            | (5)                     |
| LG Display Shanghai Co., Ltd.                                    | 289,311         | 282,259              | 7,052                           | 1,908,678  | 2,589                   |
| LG Display Poland Sp. zo.o.                                      | 374,876         | 217,012              | 157,864                         | 147,582    | (15,042)                |
| LG Display Guangzhou Co., Ltd.                                   | 207,705         | 102,213              | 105,492                         | 103,058    | 14,100                  |
| LG Display Shenzhen Co., Ltd.                                    | 143,102         | 139,702              | 3,400                           | 1,228,057  | 1,101                   |
| Suzhou Raken Technology Ltd.                                     | 37,648          | 12,255               | 25,393                          |            | (246)                   |
| Paju Electric Glass Co., Ltd. (*)                                | 162,669         | 95,436               | 67,233                          | 458,548    | 18,026                  |
| TLI Inc.   | 68,442          | 12,215               | 56,227                          | 40,536     | (279)                   |
| AVACO Co., Ltd.  | 67,570          | 28,464               | 39,106                          | 52,013     | 5,578                   |
| New Optics Ltd.  | 129,197         | 99,800               | 29,397                          | 106,980    | 6,018                   |
| Guangzhou New Vision Technology Research and Development Limited | 9,155           | 17                   | 9,138                           |            | (62)                    |
|  | (Won) 3,636,065 | 3,087,881            | 548,184                         | 14,792,509 | (339,141)               |

(\*) The financial statements of Paju Electric Glass Co., Ltd. were adjusted to conform to the Company's accounting policy. Details of the changes made and their effects on the financial statements are as follows:

(In millions of Won)

| Reason for adjustment            | Net asset value<br>before<br>adjustment | Net asset value<br>after<br>adjustment | Net income<br>before<br>adjustment | Net income<br>after<br>adjustment |
|----------------------------------|---|--|------------------------------------|-----------------------------------|
| Agreement of depreciation method | (Won) 60,841                            | 67,233                                 | 20,099                             | 18,026                            |

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****8 Transactions and Balances with Related Parties**

(a) Details of parent and subsidiary relationships as of December 31, 2009 and 2008 are as follows:

| <b>Relationship</b>          | <b>2009</b>  | <b>2008</b>  |
|------------------------------|--|--|
| Ultimate parent company (*1) | LG Corp.   | LG Corp.   |
| Controlling party (*1)       | LG Electronics Inc.  | LG Electronics Inc.  |
| Subsidiary                   | LG Display America, Inc.,<br>LG Display Taiwan Co., Ltd.,<br>LG Display Japan Co., Ltd.,<br>LG Display Germany GmbH,<br>LG Display Nanjing Co., Ltd.,<br>LG Display Shanghai Co., Ltd.,<br>LG Display Poland Sp. zo.o.,<br>LG Display Guangzhou Co., Ltd.,<br>LG Display Shenzhen Co., Ltd.,<br>LG Display Singapore Pte. Ltd. | LG Display America, Inc.,<br>LG Display Taiwan Co., Ltd.,<br>LG Display Japan Co., Ltd.,<br>LG Display Germany GmbH,<br>LG Display Nanjing Co., Ltd.,<br>LG Display Shanghai Co., Ltd.,<br>LG Display Hong Kong Co., Ltd., (*2)<br>LG Display Poland Sp. zo.o.,<br>LG Display Guangzhou Co., Ltd.,<br>LG Display Shenzhen Co., Ltd., |
|                              | Suzhou Raken Technology Ltd.,<br>LG Electronics (Nanjing) Plasma Co., Ltd.,  | Suzhou Raken Technology Ltd.   |
| Joint venture                | Guangzhou New Vision Technology Research and Development Limited,<br>Global OLED Technology LLC  | Guangzhou New Vision Technology Research and Development Limited   |
| Equity method investee       | Paju Electric Glass Co., Ltd.,<br>TLI Inc.,<br><br>AVACO Co., Ltd.,<br>New Optics Ltd.,<br>ADP Engineering Co., Ltd.,<br>WooRee LED Co., Ltd.,<br>Dynamic Solar Design Co., Ltd.,<br>RPO, Inc.,<br>LB Gemini New Growth Fund No.16   | Paju Electric Glass Co., Ltd.,<br>TLI Inc.,<br><br>AVACO Co., Ltd.,<br>New Optics Ltd.   |

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****8 Transactions and Balances with Related Parties, Continued**

| <b>Relationship</b> | <b>2009</b>                                    | <b>2008</b>                                    |
|---------------------|--|--|
| Affiliates (*3)     | LG Management Development Institute Co., Ltd., | LG Management Development Institute Co., Ltd., |
|                     | LG Life Sciences, Ltd.,                        | LG Micron Ltd.,                                |
|                     | LG CNS Co., Ltd.,                              | LG Life Sciences, Ltd.,                        |
|                     | LG N-Sys Inc.,                                 | LG CNS Co., Ltd.,                              |
|                     | LG Powercom Corp.,                             | LG N-Sys Inc.,                                 |
|                     | Serveone Co., Ltd.,                            | LG Powercom Corp.,                             |
|                     | LG Innotek Co., Ltd.,                          | Serveone Co., Ltd.,                            |
|                     | LG Telecom Co., Ltd.,                          | LG Innotek Co., Ltd.,                          |
|                     | LG Chem Ltd.,                                  | LG Telecom Co., Ltd.,                          |
|                     | LG International Corp.,                        | LG Chem Ltd.,                                  |
|                     | LG Dacom Corporation,                          | LG International Corp.,                        |
|                     | Hi Business Logistics,                         | LG Dacom Corporation,                          |
|                     | Siltron Incorporated,                          | Hi Business Logistics,                         |
|                     | Lusem Co., Ltd. and others                     | Siltron Incorporated,                          |
|                     |  | Lusem Co., Ltd. and others                     |

(\*1) The immediate parent and the ultimate parent companies of the Company are LG Electronics Inc. and LG Corporation, respectively.

(\*2) This entity was liquidated in November 2009.

(\*3) The subsidiaries of the affiliates, which are not presented above, are also affiliates of the Company.



**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****8 Transactions and Balances with Related Parties, Continued**

- (b) Significant transactions which occurred in the normal course of business with related companies for the years ended December 31, 2009 and 2008 are as follows:

| <i>(In millions of Won)</i> | Sales and other (*1) |            | Purchases and other (*1) |           |
|-----------------------------|----------------------|------------|--------------------------|-----------|
|                             | 2009                 | 2008       | 2009                     | 2008      |
| Ultimate parent company     | (Won)                |            | 43,056                   | 27,312    |
| Controlling party (*2)      |                      | 768,829    | 1,117,135                | 230,238   |
| Subsidiaries                |                      | 18,360,689 | 13,025,032               | 794,118   |
| Equity method investees     |                      | 16         | 418                      | 1,142,932 |
| Affiliates                  |                      | 974,606    | 422,055                  | 4,342,654 |
|                             |                      |            |                          | 3,949,061 |
|                             | (Won)                | 20,104,140 | 14,564,640               | 6,552,998 |
|                             |                      |            |                          | 5,718,304 |

- (\*1) These amounts include sale and purchase of property, plant and equipment to and from the Company's related parties amounting to (Won)4,185 million and (Won)531,258 million, respectively, in 2009 and (Won)8,833 million and (Won)431,906 million, respectively, in 2008.

- (\*2) Controlling party includes overseas subsidiaries that are under direct control of LG Electronics Inc.

- (c) Account balances with related companies as of December 31, 2009 and 2008 are as follows:

| <i>(In millions of Won)</i> | Trade accounts and notes receivable and other |           | Trade accounts and Notes payable and other |           |
|-----------------------------|---|-----------|--|-----------|
|                             | 2009  | 2008      | 2009                                       | 2008      |
| Ultimate parent company     | (Won)   | 3,229     | 2,577                                      | 7,366     |
| Controlling party (*)       |   | 101,543   | 115,235                                    | 51,738    |
| Subsidiaries                |   | 2,823,235 | 1,267,901                                  | 405,873   |
| Equity method investees     |   | 3         | 1  | 164,268   |
| Affiliates                  |   | 173,022   | 121,140                                    | 852,658   |
|                             |   |           |  | 1,054,112 |
|                             | (Won)   | 3,101,032 | 1,506,854                                  | 1,481,903 |
|                             |   |           |  | 1,476,882 |

- (\*) Controlling party include overseas subsidiaries that are under direct control of LG Electronics Inc.

(d) Compensation costs of key management for the years ended December 31, 2009 and 2008 are as follows:

| <i>(In millions of Won)</i> | <b>2009</b> | <b>2008</b> |
|-----------------------------|-------------|-------------|
| Short-term benefits         | (Won) 1,943 | 2,467       |
| Severance benefits          | 272         | 307         |
| Other long-term benefits    | 501         |             |
|                             | (Won) 2,716 | 2,774       |

Key management refers to the registered directors who have significant control and responsibilities over the Company's operations and business.

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****9 Property, Plant and Equipment**

(a) Changes in property, plant and equipment for the year ended December 31, 2009 are as follows:

*(In millions of Won)*

|                                    | 2009          |           |            |                         |          |                        |
|------------------------------------|---------------|-----------|------------|-------------------------|----------|------------------------|
|                                    | Land          | Buildings | Structures | Machinery and equipment | Tools    | Furniture and fixtures |
| Book value as of January 1, 2009   | (Won) 383,645 | 1,591,282 | 165,221    | 2,125,177               | 10,646   | 74,026                 |
| Acquisitions                       |               |           |            |                         |          |                        |
| Depreciation                       |               | (117,682) | (11,094)   | (2,375,003)             | (9,669)  | (55,338)               |
| Reversal of impairment loss        |               |           |            | 7                       |          |                        |
| Disposals                          | (1,299)       | (1,661)   |            | (2,048)                 | (12)     | (59)                   |
| Transfer                           | 12,458        | 732,377   | 11,698     | 4,621,192               | 13,974   | 46,810                 |
| Subsidy decrease (increase)        |               |           | (2,500)    | (145)                   |          |                        |
| Book value as of December 31, 2009 | (Won) 394,804 | 2,204,316 | 163,325    | 4,369,180               | 14,939   | 65,439                 |
| Acquisition cost                   | (Won) 394,804 | 2,752,298 | 231,234    | 19,040,829              | 112,883  | 508,980                |
| Accumulated depreciation           | (Won)         | (547,982) | (67,909)   | (14,671,649)            | (97,944) | (443,541)              |

*(In millions of Won)*

|                                    | 2009           |                          |        |              |
|------------------------------------|----------------|--------------------------|--------|--------------|
|                                    | Vehicles       | Construction-in-progress | Others | Total        |
| Book value as of January 1, 2009   | (Won) 8,431    | 4,063,604                | 9,182  | 8,431,214    |
| Acquisitions                       |                | 2,879,681                |        | 2,879,681    |
| Depreciation                       |                | (2,399)                  |        | (2,571,185)  |
| Reversal of impairment loss        |                |                          |        | 7            |
| Disposals                          |                | (159)                    |        | (5,238)      |
| Transfer                           | 688            | (5,439,781)              | 584    |              |
| Subsidy decrease (increase)        |                | 95                       |        | (2,550)      |
| Book value as of December 31, 2009 | (Won) 6,561    | 1,503,599                | 9,766  | 8,731,929    |
| Acquisition cost                   | (Won) 17,305   | 1,503,599                | 9,766  | 24,571,698   |
| Accumulated depreciation           | (Won) (10,744) |                          |        | (15,839,769) |



**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****9 Property, Plant and Equipment, Continued**

(b) Changes in property, plant and equipment for the year ended December 31, 2008 are as follows:

*(In millions of Won)*

|                                    | 2008          |           |            |                         |          |
|------------------------------------|---------------|-----------|------------|-------------------------|----------|
|                                    | Land          | Buildings | Structures | Machinery and equipment | Tools    |
| Book value as of January 1, 2008   | (Won) 314,550 | 1,646,388 | 127,026    | 3,852,477               | 17,423   |
| Acquisitions                       | 44,723        | 12,329    | 4,318      | 26,902                  | 825      |
| Depreciation                       |               | (88,179)  | (13,422)   | (2,107,617)             | (9,600)  |
| Impairment loss                    |               |           |            | (83)                    |          |
| Disposals                          | (589)         | (427)     | (15)       | (6,463)                 | (42)     |
| Transfer                           | 24,961        | 21,171    | 47,314     | 360,428                 | 2,040    |
| Subsidy decrease (increase)        |               |           |            | (467)                   |          |
| Book value as of December 31, 2008 | (Won) 383,645 | 1,591,282 | 165,221    | 2,125,177               | 10,646   |
| Acquisition cost                   | (Won) 383,645 | 2,022,103 | 221,973    | 14,515,786              | 100,290  |
| Accumulated depreciation           | (Won)         | (430,821) | (56,752)   | (12,390,602)            | (89,644) |
| Accumulated impairment loss        | (Won)         |           |            | (7)                     |          |

*(In millions of Won)*

|                                    | 2008                   |          |                          |        |              |
|------------------------------------|------------------------|----------|--------------------------|--------|--------------|
|                                    | Furniture and fixtures | Vehicles | Construction-in-progress | Others | Total        |
| Book value as of January 1, 2008   | (Won) 102,348          | 3,257    | 758,622                  | 8,509  | 6,830,600    |
| Acquisitions                       | 29,218                 | 3,506    | 3,768,271                |        | 3,890,092    |
| Depreciation                       | (60,176)               | (2,293)  |                          |        | (2,281,287)  |
| Impairment loss                    |                        |          |                          |        | (83)         |
| Disposals                          | (44)                   |          |                          |        | (7,580)      |
| Transfer                           | 2,680                  | 3,961    | (463,194)                | 673    | 34           |
| Subsidy decrease (increase)        |                        |          | (95)                     |        | (562)        |
| Book value as of December 31, 2008 | (Won) 74,026           | 8,431    | 4,063,604                | 9,182  | 8,431,214    |
| Acquisition cost                   | (Won) 464,939          | 17,538   | 4,063,604                | 9,182  | 21,799,060   |
| Accumulated depreciation           | (Won) (390,913)        | (9,107)  |                          |        | (13,367,839) |
| Accumulated impairment loss        | (Won)                  |          |                          |        | (7)          |



**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****9 Property, Plant and Equipment, Continued**

- (c) The officially declared value of the land owned by the Company at December 31, 2009 and 2008, as announced by the Minister of Construction and Transportation, is as follows:

*(In millions of Won)*

|                               | Description  | Location | 2009          |                | 2008       |                |
|-------------------------------|--------------|----------|---------------|----------------|------------|----------------|
|                               |              |          | Book value    | Declared value | Book value | Declared value |
| Property, plant and equipment | Factory site | Paju     | (Won) 301,905 | 336,632        | 290,631    | 358,919        |
|                               | Factory site | Gumi     | 85,990        | 117,644        | 86,105     | 118,660        |
|                               | R&D Center   | Anyang   | 6,909         | 11,708         | 6,909      | 11,886         |
|                               |              |          | (Won) 394,804 | 465,984        | 383,645    | 489,465        |

**10 Capitalization of Financial Expenses**

- (a) The Company capitalizes financial expenses, such as interest expense incurred on borrowings used to finance the cost of acquiring or building property, plant and equipment and intangible assets and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Interest costs of (Won)16,591 and (Won)45,177 million were capitalized as part of the cost of qualifying assets for the years ended December 31, 2009 and 2008, respectively.
- (b) For the year ended December 31, 2009, if the Company had expensed the capitalized financial expenses, the accumulated effects of expensing capitalized financial expenses on significant accounts in the statement of financial position and statement of income would have been as follows:

- (i) Statement of Financial Position

*(In millions of Won)*

|                                   | Capitalized      |                          | Expensed as incurred |                          | Difference       |                          |
|-----------------------------------|------------------|--------------------------|----------------------|--------------------------|------------------|--------------------------|
|                                   | Acquisition cost | Accumulated depreciation | Acquisition cost     | Accumulated depreciation | Acquisition cost | Accumulated depreciation |
| Property, plant and equipment     | (Won) 24,571,698 | 15,839,769               | 24,369,852           | 15,751,441               | 201,846          | 88,328                   |
| Retained earnings                 | 5,890,973        |                          | 5,802,428            |                          | 88,545           |                          |
| Deferred tax assets (non-current) | 638,266          |                          | 663,239              |                          | (24,973)         |                          |

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****10 Capitalization of Financial Expenses, Continued**

(ii) Statements of Income

*(In millions of Won)*

|                            | <b>Capitalized</b> | <b>Expensed as incurred</b> | <b>Difference</b> |
|----------------------------|--------------------|-----------------------------|-------------------|
| Depreciation               | (Won) 2,569,202    | 2,542,359                   | (26,843)          |
| Interest expense           | 122,602            | 139,193                     | 16,591            |
| Income before income taxes | 938,705            | 948,757                     | (10,252)          |
| Income tax benefit (*)     | (129,242)          | (126,986)                   | 2,256             |
| Net income                 | 1,067,947          | 1,075,943                   | (7,996)           |

(\*) Income tax expense relating to the difference in income before income taxes is measured using the marginal tax rate.

**11 Insured assets**

Insured assets as of December 31, 2009 are as follows:

| <i>(In millions of Won and USD)</i>        | <b>Covered assets or loss</b>                    | <b>Insurance coverage</b> | <b>Beneficiary</b> |
|--|--|---------------------------|--------------------|
| Package Insurance(*1)                      | Property, plant and equipment                    | 19,719,500                | Company            |
| Package Insurance(*1)                      | Inventories                                      | 1,000,000                 |                    |
| Package Insurance(*1)                      | Business interruption                            | 5,400,000                 |                    |
| Package Insurance(*1)                      | Product liability                                | 3,000                     |                    |
| Erection All Risks Insurance(*2)           | Property, plant and equipment                    | 3,687,000                 |                    |
| Fire Insurance                             | Property, plant and equipment                    | 264,863                   |                    |
| Directors and Officers Liability Insurance | Directors & officers liability (Global)          | USD 100                   |                    |
| Products Liability Insurance               | Products liability (Global)                      | USD 35                    |                    |
| Aviation Product Liability Insurance       | Aviation product liability (Global)              | USD 500                   |                    |
| Stock Throughput Insurance                 | Goods in the ordinary course of transit (Global) | USD 25,859                |                    |

(\*)1) Package insurance provides multiple coverage in one policy. It refers to a policy providing both general liability and property insurance.

(\*)2) This insurance policy covers unexpected loss in the course of assembly and installation of plant and equipment.

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****12 Intangible Assets**

(a) Changes in intangible assets for the years ended December 31, 2009 and 2008 are as follows:

*(In millions of Won)*

|                                 |       | Intellectual<br>property<br>rights | Rights to use<br>of electricity<br>and gas<br>supply<br>facilities | 2009<br>Rights to<br>use of<br>industrial<br>water<br>facilities | Software | Construction<br>-in-progress<br>(Software) | Total     |
|---------------------------------|-------|------------------------------------|--|--|----------|--|-----------|
| Balance as of January 1, 2009   | (Won) | 52,311                             | 29,010   | 5,101  |          | 107,921                                    | 194,343   |
| Increase during the year        |       | 18,648                             | 1  | 6  | 3,596    | 66,917                                     | 89,168    |
| Amortization                    |       | (8,359)                            | (3,275)  | (1,015)  | (29,960) |  | (42,609)  |
| Disposals                       |       | (2)                                |  |  |          |  | (2)       |
| Transfer                        |       |                                    |  |  | 156,830  | (156,830)                                  |           |
| Balance as of December 31, 2009 | (Won) | 62,598                             | 25,736   | 4,092  | 130,466  | 18,008                                     | 240,900   |
| Acquisition cost                | (Won) | 488,682                            | 32,761   | 12,478   | 170,139  | 18,008                                     | 722,068   |
| Accumulated amortization        | (Won) | (426,084)                          | (7,025)  | (8,386)  | (39,673) |  | (481,168) |

*(In millions of Won)*

|                                 |       | Intellectual<br>property<br>rights | Rights to use<br>of electricity<br>and gas<br>supply<br>facilities | 2008<br>Rights to<br>use of<br>industrial<br>water<br>facilities | Software | Construction<br>-in-progress<br>(Software) | Total     |
|---------------------------------|-------|------------------------------------|--|--|----------|--|-----------|
| Balance as of January 1, 2008   | (Won) | 72,921                             | 32,286   | 6,323  |          |  | 111,530   |
| Increase during the year        |       | 26,772                             |  | 27   |          | 107,921                                    | 134,720   |
| Amortization                    |       | (45,785)                           | (3,276)  | (1,249)  |          |  | (50,310)  |
| Disposals                       |       | (1,597)                            |  |  |          |  | (1,597)   |
| Balance as of December 31, 2008 | (Won) | 52,311                             | 29,010   | 5,101  |          | 107,921                                    | 194,343   |
| Acquisition cost                | (Won) | 470,057                            | 32,760   | 12,472   | 9,713    | 107,921                                    | 632,923   |
| Accumulated amortization        | (Won) | (417,746)                          | (3,750)  | (7,371)  | (9,713)  |  | (438,580) |

(b)

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Research and development costs are charged to expense as incurred and are classified as part of manufacturing overheads and selling, general and administrative expenses. The Company expensed (Won)774,338 million and (Won)501,192 million for the years ended December 31, 2009 and 2008, respectively.

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****12 Intangible Assets, Continued**

- (c) For the years ended December 31, 2009 and 2008, significant expenses, which are expected to have probable future economic benefits but expensed in the year incurred due to the uncertainty in the realization of such benefits, are as follows:

*(In millions of Won)*

|                             | 2009         | 2008   |
|-----------------------------|--------------|--------|
| Training expenses           | (Won) 14,428 | 18,335 |
| Advertising expenses        | 59,485       | 48,905 |
| Overseas marketing expenses | 4,416        | 14,228 |
|                             | (Won) 78,329 | 81,468 |

**13 Debentures**

- (a) Details of debentures issued by the Company as of December 31, 2009 and 2008 are as follows:

*(In millions of Won)*

|   | Maturity                     | Annual<br>interest rate | 2009          | 2008      |
|---|------------------------------|-------------------------|---------------|-----------|
| <b>Local currency debentures(*)</b>       |                              |                         |               |           |
| Publicly issued debentures                | March 2010~<br>December 2014 | 4.50~5.89%              | (Won) 890,000 | 850,000   |
| Privately issued debentures               | May 2011                     | 5.30%                   | 200,000       | 600,000   |
| Less discount on debentures               |                              |                         | (2,276)       | (3,826)   |
| Less current portion of debentures        |                              |                         | (389,665)     | (458,201) |
|   |                              |                         | (Won) 698,059 | 987,973   |
| <b>Foreign currency debentures</b>        |                              |                         |               |           |
| Convertible bonds                         | April 2012                   | zero coupon             | (Won) 511,555 | 511,555   |
| Less discount on debentures               |                              |                         | (1,257)       | (1,760)   |
| Less conversion right adjustment          |                              |                         | (66,540)      | (93,111)  |
| Add redemption premium                    |                              |                         | 85,788        | 85,788    |
| Less current portion of convertible bonds |                              |                         | (529,546)     |           |
|   |                              |                         | (Won)         | 502,472   |

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- (\*) Principal of the local currency debentures is to be repaid at maturity and interests are paid quarterly. The Company redeemed local currency debentures with their face value amounting to (Won)400,000 million (par value) for the year ended December 31, 2009 and recognized a loss on redemption of debentures amounting to (Won)173 million as non-operating expenses.



**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****13 Debentures, Continued**

(b) Details of the convertible bonds are as follows:

|                                     | <b>Terms and Conditions</b>  |
|-------------------------------------|------------------------------|
| Issue date                          | April 18, 2007               |
| Maturity date                       | April 18, 2012               |
| Conversion period                   | April 19, 2008~April 3, 2012 |
| Coupon interest rate                | 0%                           |
| Conversion price (in Won) per share | (Won)48,251                  |
| Issued amount                       | USD550 million               |

The bonds will be repaid at 116.77% of the principal amount at maturity unless the put option of bondholders are exercised in which case the bondholders will be repaid at 109.75% of the principal amount on April 18, 2010, and in 2009, they were reclassified to current liabilities. If the convertible bonds, inclusive of redemption premium, were classified as monetary liabilities, the loss on foreign currency translation would be (Won)152,531 million for the period from Issue date, April 18, 2007, to December 31, 2009.

The Company is entitled to exercise a call option after three years from the date of issue at the amount of the principal and interest, calculated at 3.125% of the annual yield to maturity, from the issue date to the repayment date. The call option can be exercised only when the market price of the common shares on each of 20 trading days in 30 consecutive trading days ending on the trading day immediately prior to the date upon which notice of such redemption is published exceeds at least 130% of the conversion price. In addition, in the event that at least 90% of the initial principal amount of the bonds has been redeemed, converted, or purchased and cancelled, the remaining bonds may also be redeemed, at the Company's option, at the amount of the principal and interest (3.125% per annum) from the date of issue to the repayment date prior to their maturity.

Based on the terms and conditions of the bond, the conversion price was decreased from (Won)48,760 to (Won)48,251 per share due to the declaration of cash dividends of (Won)500 per share for the year ended December 31, 2008.

As of December 31, 2009 and 2008, the number of common shares to be issued if the outstanding convertible bonds are fully converted is as follows:

*(In Won and share)*

|                             | <b>December 31, 2009</b> | <b>December 31, 2008</b> |
|-----------------------------|--------------------------|--------------------------|
| Convertible bond amount (*) | (Won) 513,480,000,000    | 513,480,000,000          |
| Conversion price            | (Won) 48,251             | 48,760                   |
| Common shares to be issued  | 10,641,851               | 10,530,762               |

(\*) The exchange rate for the conversion is fixed at (Won)933.6 to USD1.



**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****13 Debentures, Continued**

(c) Aggregate maturities of the Company's debentures as of December 31, 2009 are as follows:

*(In millions of Won)*

| <b>Period</b>       | <b>Debentures</b> | <b>Convertible bonds(*)</b> | <b>Total</b> |
|---------------------|-------------------|-----------------------------|--------------|
| 2010.1.1~2010.12.31 | (Won) 390,000     |                             | 390,000      |
| 2011.1.1~2011.12.31 | 200,000           |                             | 200,000      |
| 2012.1.1~2012.12.31 | 300,000           | 597,343                     | 897,343      |
| 2013.1.1~2013.12.31 |                   |                             |              |
| 2014.1.1~2014.12.31 | 200,000           |                             | 200,000      |
|                     | (Won) 1,090,000   | 597,343                     | 1,687,343    |

(\*) In the above schedule, it was assumed that the convertible bonds will be repaid in full at maturity with redemption premium amounting to (Won)85,788 million.

**14 Short-Term Borrowings and Long-Term Debt**

(a) Short-term borrowings in foreign currency as of December 31, 2009 and 2008 are as follows:

*(In millions of Won except interest rate)*

| <b>Lender</b>                      | <b>Annual interest rate(*1)</b> | <b>2009</b>   | <b>2008</b> |
|------------------------------------|---------------------------------|---------------|-------------|
| <b>Foreign currency loans (*2)</b> |                                 |               |             |
| Kookmin Bank and others            | 3ML+2.8~5.5                     | (Won) 189,423 |             |
| Bank of Tokyo-Mitsubishi UFJ       | 6ML+1.4                         | 63,141        |             |
| Korea Exchange Bank and others     | 6ML+0.9~2.0                     | 220,140       |             |
| Korea Exchange Bank                | 6ML+1.18                        | 34,027        |             |
|                                    |                                 | (Won) 506,731 |             |

(\*1) ML represents Month LIBOR (London Inter-Bank Offered Rates).

(\*2) Above short-term borrowings as of December 31, 2009 consist of foreign currency borrowings of JPY37,432 million and USD29 million in aggregate.



**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****14 Short-Term Borrowings and Long-Term Debt, Continued**

(b) Long-term debt as of December 31, 2009 and 2008 is as follows:

*(In millions of Won except interest rate)*

| <b>Lender</b>                          | <b>Annual interest rate(*1)</b>             | <b>2009</b>   | <b>2008</b> | <b>Redemption method</b>   |
|--|---|---------------|-------------|----------------------------|
| <b>Local currency loans</b>            |   |               |             |                            |
| The Export-Import Bank of Korea        | 6.08%                                       | (Won)         | 9,850       | Redemption by installments |
|  | 3-year Korean Treasury Bond rate less 1.25% |               |             |                            |
| Shinhan Bank                           |   | 18,380        | 18,982      |                            |
| Korea Development Bank                 | KDBBIR+0.77%                                | 7,500         | 37,500      |                            |
| Korea Development Bank                 | KDBBIR+3.29%                                | 120,000       |             |                            |
| Woori Bank                             | 5.43%                                       | 200,000       |             | Redemption at maturity     |
|  | 3-year Korean Treasury Bond rate less 1.25% |               |             | Redemption by installments |
| Woori Bank                             |   | 3,914         |             |                            |
|  |   | 349,794       | 66,332      |                            |
| Less current portion of long-term debt |   | (9,872)       | (40,451)    |                            |
|  |   | (Won) 339,922 | 25,881      |                            |

*(In millions of Won except interest rate)*

| <b>Lender</b>                          | <b>Annual interest rate(*1)</b> | <b>2009</b>   | <b>2008</b> | <b>Redemption method</b>   |
|--|---------------------------------|---------------|-------------|----------------------------|
| <b>Foreign currency loans (*2)</b>     |                                 |               |             |                            |
| The Export-Import Bank of Korea        | 6ML+0.69%                       | (Won) 58,380  | 62,875      | Redemption by installments |
| Korea Development Bank                 | 3ML+0.66%                       | 163,464       | 176,050     | Redemption at maturity     |
| Kookmin Bank and others                | 3ML+0.35~0.53%                  | 467,040       | 503,000     |                            |
|  | 6ML+0.41%                       | 233,520       | 251,500     |                            |
|  |                                 | 922,404       | 993,425     |                            |
| Less current portion of long-term debt |                                 | (5,838)       |             |                            |
|  |                                 | (Won) 916,566 | 993,425     |                            |

(\*1) KDBBIR represents Korea Development Bank Benchmark Interest Rates.

(\*2) Foreign currency equivalent of the above long-term debt as of December 31, 2009 and 2008 is USD790 million.

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****14 Short-Term Borrowings and Long-Term Debt, Continued**

(c) Aggregate maturities of the Company's long-term debt as of December 31, 2009 are as follows:

*(In millions of Won)*

| Period              | Local<br>currency loans | Foreign<br>currency loans | Total     |
|---------------------|-------------------------|---------------------------|-----------|
| 2010.1.1~2010.12.31 | (Won) 9,872             | 5,838                     | 15,710    |
| 2011.1.1~2011.12.31 | 203,796                 | 595,476                   | 799,272   |
| 2012.1.1~2012.12.31 | 34,188                  | 291,900                   | 326,088   |
| 2013.1.1~2013.12.31 | 64,579                  | 29,190                    | 93,769    |
| 2014.1.1~2014.12.31 | 33,978                  |                           | 33,978    |
| Thereafter          | 3,381                   |                           | 3,381     |
|                     | (Won) 349,794           | 922,404                   | 1,272,198 |

**15 Retirement and Severance Benefits**

Changes in retirement and severance benefits for the years ended December 31, 2009 and 2008 are as follows:

| <i>(In millions of Won)</i>                     | 2009          | 2008      |
|---|---------------|-----------|
| Balance at beginning of year                    | (Won) 201,920 | 153,475   |
| Actual severance payments                       | (47,761)      | (23,850)  |
| Transferred from/to affiliated companies, net   | 1,630         | 3,339     |
| Provision for retirement and severance benefits | 79,321        | 68,956    |
| Balance at end of year                          | 235,110       | 201,920   |
| Balance of deposits to National Pension Fund    | (402)         | (479)     |
| Balance of the severance insurance deposits     | (175,869)     | (131,302) |
| Net balance                                     | (Won) 58,839  | 70,139    |

The Company's retirement and severance benefit plan is funded approximately 74.8% and 65.0% as of December 31, 2009 and 2008, respectively, through severance insurance deposits in Korea Life Insurance Co., Ltd. and others for the payment of severance benefits. The beneficiaries of the severance insurance deposit are the Company's employees.

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****16 Monetary Assets and Liabilities Denominated In Foreign Currency**

Monetary assets and liabilities denominated in foreign currencies, excluding those disclosed elsewhere in the notes 13 and 14 to the financial statements as of December 31, 2009 and 2008 are as follows:

*(In millions of Won, USD, JPY, EUR and PLN)*

|                                     | Foreign currency (*) |        | 2009<br>Exchange rate | Won equivalent  |
|-------------------------------------|----------------------|--------|-----------------------|-----------------|
| <b>Assets :</b>                     |                      |        |                       |                 |
| Cash and cash equivalents           | USD                  | 279    | 1,167.6               | (Won) 325,305   |
|                                     | JPY                  | 46     | 12.6282               | 579             |
|                                     | EUR                  | 1      | 1,674.28              | 1,156           |
|                                     | PLN                  | 6      | 405.18                | 2,449           |
| Trade accounts and notes receivable | USD                  | 2,430  | 1,167.6               | 2,837,568       |
|                                     | JPY                  | 2,217  | 12.6282               | 28,002          |
|                                     | EUR                  | 45     | 1,674.28              | 75,208          |
| Other accounts receivable           | USD                  | 4      | 1,167.6               | 5,176           |
|                                     | JPY                  | 11     | 12.6282               | 134             |
| Non-current guarantee deposits      | JPY                  | 22     | 12.6282               | 282             |
|                                     |                      |        |                       | (Won) 3,275,859 |
| <b>Liabilities :</b>                |                      |        |                       |                 |
| Accounts payable                    | USD                  | 1,326  | 1,167.6               | (Won) 1,548,497 |
|                                     | JPY                  | 12,717 | 12.6282               | 160,594         |
| Other accounts payable              | USD                  | 145    | 1,167.6               | 169,098         |
|                                     | JPY                  | 8,762  | 12.6282               | 110,655         |
|                                     | EUR                  | 8      | 1,674.28              | 13,128          |
| Accrued expenses                    | USD                  | 226    | 1,167.6               | 263,527         |
| Long-term advance received          | USD                  | 500    | 1,167.6               | 583,800         |
|                                     |                      |        |                       | (Won) 2,849,299 |



**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****16 Monetary Assets and Liabilities Denominated In Foreign Currency, Continued***(In millions of Won, USD, JPY, EUR and PLN)*

|                                     |                      |        | 2008          |                 |
|-------------------------------------|----------------------|--------|---------------|-----------------|
|                                     | Foreign currency (*) |        | Exchange rate | Won equivalent  |
| <b>Assets :</b>                     |                      |        |               |                 |
| Cash and cash equivalents           | USD                  | 401    | 1,257.5       | (Won) 504,267   |
|                                     | JPY                  | 5,340  | 13.9389       | 74,427          |
|                                     | EUR                  | 3      | 1,776.22      | 4,954           |
|                                     | PLN                  | 52     | 426.18        | 22,305          |
| Trade accounts and notes receivable | USD                  | 1,246  | 1,257.5       | 1,567,140       |
|                                     | JPY                  | 2,490  | 13.9389       | 34,708          |
|                                     | EUR                  | 24     | 1,776.22      | 42,629          |
| Other accounts receivable           | USD                  | 16     | 1,257.5       | 19,684          |
|                                     | JPY                  | 10     | 13.9389       | 137             |
| Value added tax receivable          | PLN                  | 255    | 426.18        | 108,511         |
| Long-term loans                     | USD                  | 10     | 1,257.5       | 12,575          |
|                                     |                      |        |               | (Won) 2,391,337 |
| <b>Liabilities :</b>                |                      |        |               |                 |
| Accounts payable                    | USD                  | 513    | 1,257.5       | (Won) 645,447   |
|                                     | JPY                  | 6,302  | 13.9389       | 87,839          |
| Other accounts payable              | USD                  | 252    | 1,257.5       | 316,805         |
|                                     | JPY                  | 39,782 | 13.9389       | 554,522         |
|                                     | EUR                  | 1      | 1,776.22      | 1,652           |
|                                     | PLN                  | 1      | 426.18        | 468             |
|                                     |                      |        |               | (Won) 1,606,733 |

(\*) PLN represent Poland Zloty.

**17 Warranty Reserve**

Changes in warranty reserve for the years ended December 31, 2009 and 2008 are as follows:

*(In millions of Won)*

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|                  | 2009                                    |          |           |                                   |
|------------------|---|----------|-----------|-----------------------------------|
|                  | Balance at the<br>beginning of the year | Increase | Decrease  | Balance at the<br>end of the year |
| Warranty reserve | (Won) 58,105                            | 113,866  | (108,375) | 63,596                            |

*(In millions of Won)*

|                  | 2008                                       |          |          |                                   |
|------------------|--|----------|----------|-----------------------------------|
|                  | Balance at the<br>beginning of<br>the year | Increase | Decrease | Balance at the<br>end of the year |
| Warranty reserve | (Won) 49,295                               | 90,063   | (81,253) | 58,105                            |

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**Table of Contents**

**LG DISPLAY CO., LTD.**

**Notes to Non-Consolidated Financial Statements (Continued)**

**December 31, 2009 and 2008**

**18 Commitments and Contingencies**

(a) Commitments

***Overdraft agreements and credit facility agreement***

As of December 31, 2009, the Company has bank overdraft agreements with Woori Bank and other various banks amounting to (Won)49,000 million in aggregate and maintains a line of credit amounting to (Won)200,000 with Hana Bank. There is no overdrawn balance.

***Factoring and securitization of accounts receivable***

The Company has agreements with Korea Exchange Bank and other several banks for accounts receivable sales negotiating facilities of up to an aggregate of USD1,830 million in connection with its export sales transactions. As of December 31, 2009, sold accounts and notes receivable amounting to USD187 million ((Won)217,784 million) and JPY950 million ((Won)12,003 million) are current and outstanding among the accounts and notes receivable sold during 2009.

In October 2006, LG Display America, Inc., LG Display Germany GmbH, LG Display Shanghai Co., Ltd. and others entered into a five-year accounts receivable selling program with Standard Chartered Bank on a revolving basis, of up to USD600 million. The Company joined this program in April 2007. For the year ended December 31, 2009, no accounts and notes receivable were sold.

The Company has an agreement with Shinhan Bank for accounts receivable negotiating facilities of up to an aggregate of (Won)50,000 million in connection with its domestic sales transactions. As of December 31, 2009, no accounts and notes receivable are current and outstanding among the accounts and notes receivable sold during 2009.

***Letters of credit***

As of December 31, 2009, the Company has agreements with Korea Exchange Bank in relation to the opening of letters of credit up to (Won)20,000 million and USD188.5 million, USD20 million with China Construction Bank, USD100 million with Shinhan Bank, respectively, and JPY11,000 million with Woori Bank.

***Payment guarantees***

The Company receives payment guarantee amounting to USD8.5 million from ABN AMRO Bank relating to value added tax payments in Poland. As of December 31, 2009, the Company is providing a payment guarantee to a syndicate of banks including Kookmin Bank and Societe Generale in connection with a EUR70 million term loan credit facility of LG Display Poland Sp. zo.o. LG Display Poland Sp. zo.o. is provided with a payment guarantee amounting to PLN180 million by PKO Bank relating to the Simplified Procedure (deferral of VAT payment), and the Company provides payment guarantee to PKO Bank and others in connection with their payment guarantee. In addition, the Company provides payment guarantees in connection with LG Display Singapore Ltd. s and others term loan credit facilities with aggregate amount of USD 17 million and related interests.

***License agreements***

As of December 31, 2009, in relation to its TFT-LCD business, the Company has technical license agreements with Hitachi Display, Ltd. and others and has a trademark license agreement with LG Corp.



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**Table of Contents**

**LG DISPLAY CO., LTD.**

**Notes to Non-Consolidated Financial Statements (Continued)**

**December 31, 2009 and 2008**

**18 Commitments and Contingencies, Continued**

*Long-term supply agreement*

In January 2009, the Company entered into a long-term supply agreement with Apple, Inc. to supply LCD panels for 5 years. In connection with the agreement, the Company received a long-term prepayment of USD500 million from Apple, Inc., which will offset against outstanding accounts receivable balance after a given period of time, as well as those arising from the supply of products thereafter.

(b) Contingencies

*Patent infringement lawsuit against Chi Mei Optoelectronics Corp. and others*

On December 1, 2006, the Company filed a complaint against Chi Mei Optoelectronics Corp. and AU Optronics Corp. alleging patent infringement related to liquid crystal display and manufacturing process for TFT-LCD in the United States District Court for the District of Delaware. On March 8, 2007, AU Optronics Corp. countersued the Company in the United States District Court for the Western District of Wisconsin; however, on May 30, 2007, the case was transferred to the United States District Court for the District of Delaware due to the Company's motion to transfer. On May 4, 2007, Chi Mei Optoelectronics Corp. countersued the Company for patent infringement in the United States District Court for the Eastern District of Texas; however, on March 31, 2008, the suit was transferred to the United States District Court for the District of Delaware according to the Company's motion to transfer. The Company is unable to predict the ultimate outcome of the above matters.

*Anvik Corporation's lawsuit for infringement of patent*

On February 2, 2007, Anvik Corporation filed a patent infringement case against the Company, along with other LCD manufacturing companies in the United States District Court for the Southern District of New York, in connection with the usage of photo-masking equipment manufactured by Nikon Corporation. The Company is unable to predict the ultimate outcome of this case.

*O2 Micro International Ltd.'s request for an investigation to US International Trade Commission*

On December 15, 2008, O2 Micro International Ltd. and O2 Micro, Inc. (O2 Micro) requested the United States International Trade Commission (ITC) to commence a Trade Remedy Investigations alleging that the Company, LG Display America, Inc. and others infringed their patents relating to LCD Displays. On August 24, 2009, the Company and O2 Micro submitted a mutual agreement for the completion of the Trade Remedy Investigation on the Company to the ITC, and on September 25, 2009, the ITC approved this agreement and closed the investigation on the Company.

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**Table of Contents**

**LG DISPLAY CO., LTD.**

**Notes to Non-Consolidated Financial Statements (Continued)**

**December 31, 2009 and 2008**

**18 Commitments and Contingencies, Continued**

*Investigation and litigation filed by authorities in Korea, Japan, Canada, US and European Commission*

In December 2006, the Company received notices of investigation by the Korea Fair Trade Commission, the Japan Fair Trade Commission, the U.S. Department of Justice, and the European Commission with respect to possible anti-competitive activities in the TFT-LCD industry. The Company subsequently received similar notices from the Canadian Competition Bureau and the Taiwan Fair Trade Commission.

In November 2008, the Company executed an agreement with the U.S. Department of Justice ( DOJ ) whereby the Company and its U.S. subsidiary, LG Display America, Inc. ( LGDUS ), pleaded guilty to a Sherman Antitrust Act violation and agreed to pay a single total fine of USD400 million. In December 2008, the U.S. District Court for the Northern District of California accepted the terms of the plea agreement and entered a judgment against the Company and LGDUS and ordered the payment of USD400 million according to the following schedule: USD20 million plus any accrued interest by June 15, 2009, and USD76 million plus any accrued interest by each of June 15, 2010, June 15, 2011, June 15, 2012, June 15, 2013 and December 15, 2013. The agreement resolved all federal criminal charges against the Company in the United States in connection with this matter.

On May 27, 2009, the European Commission issued a Statement of Objections ( SO ) regarding alleged anti-competitive activities in the LCD industry. The Company submitted its response to the SO on August 11, 2009, and a hearing before the European Commission was held on September 22 and 23, 2009. Similar investigations into possible anti-competitive practices in the LCD industry were announced by the Federal Competition Commission of Mexico in or about July 2009 and by the Secretariat of Economic Law of Brazil in December 2009.

In November 2009, the Taiwan Fair Trade Commission terminated its investigation without any finding of violations or levying of fines.

Subsequent to the commencement of the DOJ investigation, a number of class action complaints were filed against the Company and other TFT-LCD panel manufacturers in the U.S. and Canada alleging violation of respective antitrust laws and related laws. In a series of decisions in 2007 and 2008, the class action lawsuits in the U.S. were transferred to the Northern District of California for pretrial proceedings ( MDL Proceedings ). Additionally in 2009, separate claims were filed by ATS Claim LLC, AT&T Corp., Motorola Inc., Electrograph Technologies Corp., Nokia Corp. and their respective related entities, all of which have been transferred to the MDL Proceedings.

In February 2007, the Company and certain of its current and former officers and directors were named as defendants in two purported class action complaints filed in the U.S. District Court for the Southern District of New York by the shareholders of the Company, alleging that the Company and certain of its officers and directors violated the U.S. Securities Exchange Act of 1934.

While the Company continues its vigorous defense of the various pending proceedings described above, there is a possibility that one or more proceedings may result in an unfavorable outcome to the Company. The Company has established reserves with respect to certain of the contingencies. However, actual liability may be materially different from the reserves estimated by the Company.

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****19 Derivative Instruments**

(a) Derivative instruments used by the Company for hedging purposes as of December 31, 2009 are as follows:

| <b>Hedging purpose</b> | <b>Derivative instrument</b>              |
|------------------------|---|
| Hedge of fair value    | Foreign currency forwards                 |
| Hedge of cash flows    | Cross currency swap<br>Interest rate swap |

(b) Hedge of fair value

The Company enters into foreign currency forward contracts to manage the exposure to changes in the value of foreign currency denominated accounts receivable and accounts payable in accordance with its foreign currency risk management policy. Hedge accounting is not applied related to the abovementioned derivatives.

(i) Foreign Currency Forwards

Details of foreign currency forwards outstanding as of December 31, 2009 are as follows:

*(In millions of Won and USD, except forward rate)*

| <b>Bank</b>    | <b>Maturity date</b> | <b>Selling</b> | <b>Buying</b> | <b>Forward rate</b> |
|----------------|----------------------|----------------|---------------|---------------------|
| USB and others | January 22, 2010~    |                |               | (Won)1,177.0~       |
|                | February 26, 2010    | USD 175        | (Won) 207,276 | (Won)1,200.5 : USD1 |

(ii) Unrealized gains and losses related to the above derivatives as of December 31, 2009 are as follows:

*(In millions of Won)*

| <b>Type</b>               | <b>Unrealized gains</b> | <b>Unrealized losses</b> |
|---------------------------|-------------------------|--------------------------|
| Foreign Currency Forwards | (Won) 2,674             |                          |

The unrealized gains are charged to operations as gains on foreign currency translation for the year ended December 31, 2009.

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****19 Derivative Instruments, Continued**

## (c) Hedge of cash flows

Details of the Company's derivative instruments related to hedge of cash flows from changes in foreign currency exchange rates and interest rates related to floating rate notes as of December 31, 2009 are as follows:

## (i) Cross Currency Swap

The Company made early settlements of cross currency swaps of floating to fixed interest amounting to USD100 million and USD50 million contracts. As a result, as of December 31, 2009, there is no cross currency swap outstanding. The unrealized gains and losses incurred on valuation of cross currency swap, net of tax, prior to the early settlement are recorded in accumulated other comprehensive income.

In relation to the abovementioned cross currency swap, unrealized losses with present value amounting to (Won)4,523 million, recorded as accumulated other comprehensive income, are expected to be charged to operations as losses within the next twelve months.

## (ii) Interest Rate Swap

*(In millions of USD, except forward rate)*

| Bank          | Maturity date | Contract amount | Contract rate  |          |
|---------------|---------------|-----------------|----------------|----------|
|               |               |                 | Receive        |          |
| SC First Bank | May 24, 2010  | USD100          | floating rate  | 6M LIBOR |
|               |               |                 | Pay fixed rate | 5.644%   |

Net unrealized gains and losses, net of related taxes, were recorded as accumulated other comprehensive income.

In relation to the abovementioned interest rate swap, unrealized losses with present value amounting to (Won)3,047 million, recorded as accumulated other comprehensive income, are expected to be charged to operations as losses within the next twelve months.

## (iii) Unrealized gains and losses, before tax, related to hedge of cash flows as of December 31, 2009 are as follows:

*(In millions of Won)*

| Type                | Unrealized gains | Unrealized losses | Cash flow hedge requirements |
|---------------------|------------------|-------------------|------------------------------|
| Cross currency swap | (Won)            | 8,144             | Fulfilled                    |



Interest rate swap

3,047

Fulfilled

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****19 Derivative Instruments, Continued**

(d) Realized gains and losses related to derivative instruments for the year ended December 31, 2009 are as follows:

*(In millions of Won)*

| Hedge purpose    | Type                      | Transaction gains | Transaction losses |
|------------------|---------------------------|-------------------|--------------------|
| Cash flow hedge  | Cross currency swap       | (Won) 55          | 13,645             |
| Cash flow hedge  | Interest rate swap        |                   | 5,422              |
| Cash flow hedge  | Foreign currency forwards |                   | 2,534              |
| Fair value hedge | Foreign currency forwards | 52,350            | 52,991             |

**20 Capital Stock**

The Company is authorized to issue 500,000,000 shares of capital stock (par value (Won)5,000), and as of December 31, 2009, the number of issued common shares is 357,815,700.

There are no changes in the capital stock from January 1, 2008 to December 31, 2009.

**21 Capital Surplus**

Capital surplus as of December 31, 2009 and 2008 is as follows:

*(In millions of Won)*

| Accounts                   | 2009                   | 2008             |
|----------------------------|------------------------|------------------|
| Additional paid-in capital | (Won) 2,251,113        | 2,251,113        |
| Conversion rights (*)      | 59,958                 | 59,958           |
| <b>Total</b>               | <b>(Won) 2,311,071</b> | <b>2,311,071</b> |

(\*) Net of tax effects.

**22 Accumulated Other Comprehensive Income**

Accumulated other comprehensive income as of December 31, 2009 and 2008 is as follows:

*(In millions of Won)*

| Accounts  | 2009        | 2008   |
|---|-------------|--------|
| Unrealized gains on available-for-sale securities | (Won) 3,481 | 25,934 |

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Changes in equity arising from application of

|   |               |          |
|---|---------------|----------|
| equity method                               | 139,876       | 164,910  |
| Loss on valuation of derivative instruments | (8,483)       | (16,906) |
| Total                                       | (Won) 134,874 | 173,938  |

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****23 Retained Earnings**

The Commercial Code of the Republic of Korea requires the Company to appropriate, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued capital stock. The reserve is not available for the payment of cash dividends, but may be transferred to capital stock or used to reduce accumulated deficit, if any, with the ratification of the Company's majority shareholders in its shareholder's meeting.

**24 Income Taxes**

- (a) Income tax expense for the years ended December 31, 2009 and 2008 consists of :

| <i>(In millions of Won)</i>                                 | <b>2009</b>            | <b>2008</b>    |
|---|------------------------|----------------|
| Current income taxes  | (Won) 170,739          | 287,748        |
| Deferred income taxes from changes in temporary differences | (68,512)               | (8,102)        |
| Deferred income taxes from changes in tax credit            | (242,414)              | (18,088)       |
| Deferred income taxes charged to shareholders' equity       | 10,945                 | (54,974)       |
| <b>Income tax expense (benefit)</b>                         | <b>(Won) (129,242)</b> | <b>206,584</b> |

- (b) The income tax expense calculated by applying statutory tax rates to the Company's income before income taxes for the year differs from the actual tax expense in the statement of income for the years ended December 31, 2009 and 2008 for the following reasons:

| <i>(In millions of Won)</i>                      | <b>2009</b>            | <b>2008</b>    |
|--|------------------------|----------------|
| Income before income tax                         | (Won) 938,705          | 1,293,480      |
| Charge for income taxes at normal tax rates      | 227,142                | 355,676        |
| Adjustments                                      | (356,384)              | (149,092)      |
| Non-tax deductible expenses                      | 24,477                 | 588            |
| Tax credits and deduction                        | (357,575)              | (235,294)      |
| Effect of changes in tax rates                   | (1,749)                | 18,683         |
| Changes in unrealized deferred income tax assets | (18,791)               | 71,530         |
| Others   | (2,746)                | (4,599)        |
| <b>Income tax expense (benefit)</b>              | <b>(Won) (129,242)</b> | <b>206,584</b> |
| Effective tax rate                               | (-)13.77%              | 15.97%         |

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****24 Income Taxes, Continued**

- (c) The tax effects of temporary differences, tax credit carryforwards and losses carryforwards that resulted in significant portions of deferred tax assets and liabilities at December 31, 2009 and 2008 are presented below:

- (i) 2009

| <i>(In millions of Won)</i>  | <b>January 1,<br/>2009</b> | <b>Increase<br/>(decrease)</b> | <b>December 31,<br/>2009</b> |
|--|----------------------------|--------------------------------|------------------------------|
| Temporary differences:   |                            |                                |                              |
| Accrued income   | (Won) (88,237)             | 46,996                         | (41,241)                     |
| Inventories  | 96,595                     | (21,534)                       | 75,061                       |
| Change in fair value of available-for-sale securities                | (33,248)                   | 28,786                         | (4,462)                      |
| Equity method investments  | 259,734                    | 7,453                          | 267,187                      |
| Changes in capital adjustment arising from equity method investments | (211,423)                  | 32,094                         | (179,329)                    |
| Other current assets   | (70,952)                   | 68,278                         | (2,674)                      |
| Loss on valuation of derivative instruments                          | 22,062                     | (10,871)                       | 11,191                       |
| Property, plant and equipment  | 21,940                     | 212,284                        | 234,224                      |
| Warranty reserve and other reserves                                  | 187,869                    | 49,161                         | 237,030                      |
| Gain on foreign currency translation                                 | 61,520                     | 7,927                          | 69,447                       |
| Loss on foreign currency translation                                 | (138,599)                  | (97,656)                       | (236,255)                    |
| Accrued expenses   | 435,875                    | (162,935)                      | 272,940                      |
| Others   | 22,247                     | 57,119                         | 79,366                       |
| <b>Total</b>   | <b>565,383</b>             | <b>217,102</b>                 | <b>782,485</b>               |
| Tax credit carryforwards   | (Won) 468,620              | 269,349                        | 737,969                      |

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****24 Income Taxes, Continued**

| <i>(In millions of Won)</i>  | Deferred tax assets (liabilities) |                        |                      |          |             |
|--|-----------------------------------|------------------------|----------------------|----------|-------------|
|  | January 1,<br>2009                | Increase<br>(decrease) | December 31,<br>2009 | Current  | Non-Current |
| Accrued income   | (Won) (21,353)                    | 11,373                 | (9,980)              | (9,980)  |             |
| Inventories  | 23,376                            | (5,211)                | 18,165               | 18,165   |             |
| Change in fair value of available-for-sale securities                | (7,314)                           | 6,333                  | (981)                |          | (981)       |
| Equity method investments  | (6,446)                           | 20,595                 | 14,149               |          | 14,149      |
| Changes in capital adjustment arising from equity method investments | (46,513)                          | 7,060                  | (39,453)             |          | (39,453)    |
| Other current assets   | (17,170)                          | 16,523                 | (647)                | (647)    |             |
| Loss on valuation of derivative instruments                          | 5,156                             | (2,448)                | 2,708                | 1,832    | 876         |
| Accrued expenses   | 5,309                             | 51,373                 | 56,682               | 56,682   |             |
| Property, plant and equipment  | 42,152                            | 12,172                 | 54,324               |          | 54,324      |
| Warranty reserve and other reserves                                  | 14,665                            | 2,141                  | 16,806               | 15,449   | 1,357       |
| Gain on foreign currency translation                                 | (33,541)                          | (23,633)               | (57,174)             | (57,174) |             |
| Loss on foreign currency translation                                 | 105,482                           | (40,894)               | 64,588               | 22,195   | 42,393      |
| Others   | 4,961                             | 13,128                 | 18,089               | 6,920    | 11,169      |
| Subtotal   | 68,764                            | 68,512                 | 137,276              | 53,442   | 83,834      |
| Tax credit carryforwards   | 421,758                           | 242,414                | 664,172              | 109,740  | 554,432     |
| Deferred income tax assets   | (Won) 490,522                     | 310,926                | 801,448              | 163,182  | 638,266     |

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****24 Income Taxes, Continued**

(ii) 2008

*(In millions of Won)*

|  | January 1,<br>2008 | Increase<br>(decrease) | December 31,<br>2008 |
|--|--------------------|------------------------|----------------------|
| Temporary differences:   |                    |                        |                      |
| Accrued income   | (Won) (14,055)     | (74,182)               | (88,237)             |
| Inventories  | 22,860             | 73,735                 | 96,595               |
| Change in fair value of available-for- sale securities               |                    | (33,248)               | (33,248)             |
| Equity method investments  | (24,320)           | 284,054                | 259,734              |
| Changes in capital adjustment arising from equity method investments | (19,381)           | (192,042)              | (211,423)            |
| Other current assets   | 15,561             | (86,513)               | (70,952)             |
| Loss on valuation of derivative instruments                          | 21,927             | 135                    | 22,062               |
| Gain on valuation of derivative instruments                          | (2,066)            | 2,066                  |                      |
| Property, plant and equipment  | 176,626            | 11,243                 | 187,869              |
| Warranty reserve and other reserves                                  | 49,295             | 12,225                 | 61,520               |
| Gain on foreign currency translation                                 |                    | (138,599)              | (138,599)            |
| Loss on foreign currency translation                                 |                    | 435,875                | 435,875              |
| Others   | 9,331              | 34,856                 | 44,187               |
| <b>Total</b>   | <b>235,778</b>     | <b>329,605</b>         | <b>565,383</b>       |
| Tax credit carryforwards   | (Won) 448,522      | 20,098                 | 468,620              |

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****24 Income Taxes, Continued**

| <i>(In millions of Won)</i>  | Deferred tax assets (liabilities) |                        |                      |          |             |
|--|-----------------------------------|------------------------|----------------------|----------|-------------|
|  | January 1,<br>2008                | Increase<br>(decrease) | December 31,<br>2008 | Current  | Non-Current |
| Accrued income   | (Won) (3,521)                     | (17,832)               | (21,353)             | (21,353) |             |
| Inventories  | 5,726                             | 17,650                 | 23,376               | 23,376   |             |
| Change in fair value of available-for-sale securities                |                                   | (7,314)                | (7,314)              |          | (7,314)     |
| Equity method investments  | (13,960)                          | 7,514                  | (6,446)              |          | (6,446)     |
| Changes in capital adjustment arising from equity method investments | 841                               | (47,354)               | (46,513)             |          | (46,513)    |
| Other current assets   | 3,898                             | (21,068)               | (17,170)             | (17,170) |             |
| Loss on valuation of derivative instruments                          | 6,030                             | (874)                  | 5,156                | 3,329    | 1,827       |
| Gain on valuation of derivative instruments                          | (568)                             | 568                    |                      |          |             |
| Property, plant and equipment  | 47,713                            | (5,561)                | 42,152               |          | 42,152      |
| Warranty reserve and other reserves                                  | 12,348                            | 2,317                  | 14,665               | 12,444   | 2,221       |
| Gain on foreign currency translation                                 |                                   | (33,541)               | (33,541)             | (33,541) |             |
| Loss on foreign currency translation                                 |                                   | 105,482                | 105,482              | 105,482  |             |
| Others   | 2,155                             | 8,115                  | 10,270               | 8,427    | 1,843       |
| Subtotal   | 60,662                            | 8,102                  | 68,764               | 80,994   | (12,230)    |
| Tax credit carryforwards   | 403,670                           | 18,088                 | 421,758              |          | 421,758     |
| Deferred income tax assets   | (Won) 464,332                     | 26,190                 | 490,522              | 80,994   | 409,528     |



**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****24 Income Taxes, Continued**

(d) Details of the item which is not recognized as deferred tax assets are as follows:

| <i>(In millions of Won)</i> | <b>2009</b>   | <b>2008</b> |
|-----------------------------|---------------|-------------|
| Equity method investments   | (Won) 429,222 | 406,156     |

As of December 31, 2009, the Company did not recognize temporary differences for the cumulative losses related to equity method investments, as the possibility of realization of the deferred tax assets through events such as disposal of the related investments in foreseeable future, is remote.

(e) Amounts which are not recognized as deferred tax liabilities are as follows:

| <i>(In millions of Won)</i> | <b>2009</b>   | <b>2008</b> |
|-----------------------------|---------------|-------------|
| Equity method investments   | (Won) 220,504 | 119,788     |

As of December 31, 2009, the Company did not recognize deferred tax liabilities for temporary differences related to the retained earnings of subsidiaries accounted for using equity method, considering the effect of credit for foreign taxes paid.

(f) Income tax expense that was directly charged or credited to accumulated other comprehensive income as of December 31, 2009 and 2008 are as follows:

| <i>(In millions of Won)</i>  | <b>2009</b>                   | <b>2008</b>                    |
|--|-------------------------------|--------------------------------|
|  | <b>Current<br/>income tax</b> | <b>Deferred<br/>income tax</b> |
|  | <b>Amount</b>                 |                                |
| Change in fair value of available-for-sale securities                | (Won) (28,786)                | 6,333                          |
| Changes in capital adjustment arising from equity method investments | (32,094)                      | 7,060                          |
| Loss on valuation of derivative instruments                          | 10,871                        | (2,448)                        |
| Total  | (Won) (50,009)                | 10,945                         |

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****24 Income Taxes, Continued**

| <i>(In millions of Won)</i>  | <b>Amount</b>        | <b>2008</b>                   |                                |
|--|----------------------|-------------------------------|--------------------------------|
|  |                      | <b>Current<br/>income tax</b> | <b>Deferred<br/>income tax</b> |
| Change in fair value of available-for-sale securities                | (Won) 33,248         |                               | (7,314)                        |
| Changes in capital adjustment arising from equity method investments | 192,042              |                               | (47,354)                       |
| Loss on valuation of derivative instruments                          | (135)                |                               | (874)                          |
| Gain on valuation of derivative instruments                          | (2,066)              |                               | 568                            |
| <b>Total</b>   | <b>(Won) 223,089</b> |                               | <b>(54,974)</b>                |

- (g) As of December 31, 2009 and 2008 details of aggregate deferred tax assets and liabilities, income taxes payable and income tax refund receivable are as follows:

| <i>(In millions of Won)</i> | <b>2009</b>    |                    |              |
|-----------------------------|----------------|--------------------|--------------|
|                             | <b>Current</b> | <b>Non-current</b> | <b>Total</b> |
| Deferred tax assets         | (Won) 247,086  | 678,771            | 925,857      |
| Deferred tax liabilities    | 83,904         | 40,505             | 124,409      |
| Income taxes payable        | 120,206        |                    | 120,206      |

| <i>(In millions of Won)</i> | <b>2008</b>    |                    |              |
|-----------------------------|----------------|--------------------|--------------|
|                             | <b>Current</b> | <b>Non-current</b> | <b>Total</b> |
| Deferred tax assets         | (Won) 153,058  | 469,801            | 622,859      |
| Deferred tax liabilities    | 72,064         | 60,273             | 132,337      |
| Income taxes payable        | 265,550        |                    | 265,550      |

Statutory tax rate applicable to the Company is 24.2% and 27.5% for the years ended December 31, 2009 and 2008, respectively. In accordance with the revised Corporate Income Tax Law, statutory tax rate applicable to the Company is 24.2% until 2011 and 22% thereafter. Under the Foreign Investment Promotion Act of Korea, the Company was exempt from payment of income taxes corresponding to one-half of the foreign investment ratio in 2008, however, the exemption period, which had started from 1999, was terminated and is not applicable in 2009.

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****25 Cost of Sales**

Details of cost of sales for the years ended December 31, 2009 and 2008 are as follows:

| <i>(In millions of Won)</i>         | <b>2009</b>      | <b>2008</b> |
|-------------------------------------|------------------|-------------|
| Finished goods                      | (Won) 18,264,940 | 13,422,008  |
| Beginning balance of finished goods | 286,207          | 310,975     |
| Cost of goods manufactured          | 18,364,251       | 13,397,240  |
| Ending balance of finished goods    | (385,518)        | (286,207)   |
| Merchandise                         |                  | 185,254     |
| Others                              | 33,134           | 19,340      |
|                                     | (Won) 18,298,074 | 13,626,602  |

**26 Selling, General and Administrative Expenses**

Details of selling, general and administrative expenses for the years ended December 31, 2009 and 2008 are as follows:

| <i>(In millions of Won)</i> | <b>2009</b>   | <b>2008</b> |
|-----------------------------|---------------|-------------|
| Salaries                    | (Won) 101,838 | 86,433      |
| Severance benefits          | 8,596         | 9,184       |
| Other employee benefits     | 21,711        | 14,507      |
| Shipping cost               | 168,577       | 122,922     |
| Rent                        | 4,347         | 4,745       |
| Fees and commissions        | 95,863        | 84,708      |
| Entertainment               | 2,619         | 2,780       |
| Depreciation                | 14,796        | 8,657       |
| Taxes and dues              | 2,156         | 4,489       |
| Advertising                 | 59,485        | 48,905      |
| Sales promotion             | 7,728         | 24,005      |
| Development costs           | 2,634         | 6,610       |
| Research                    | 164,825       | 141,427     |
| A/S expenses                | 113,866       | 90,696      |
| Others                      | 51,644        | 52,264      |
| Total                       | (Won) 820,685 | 702,332     |

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****27 Earnings Per Share**

(a) Basic earnings per share for the years ended December 31, 2009 and 2008 are as follows:

| <i>(In Won, except earnings per share and share information)</i> |                         |                   |
|--|-------------------------|-------------------|
|  | <b>2009</b>             | <b>2008</b>       |
| <b>Net income</b>  | (Won) 1,067,946,209,259 | 1,086,896,360,997 |
| Weighted-average number of common shares outstanding             | 357,815,700             | 357,815,700       |
| <b>Earnings per share</b>  | (Won) 2,985             | 3,038             |

There were no events or transactions that resulted in changes in the number of common shares used for calculating earnings per share.

(b) Diluted earnings per share for the years ended December 31, 2009 and 2008 are as follows:

| <i>(In Won, except earnings per share and share information)</i>                              |                         |                   |
|---|-------------------------|-------------------|
|   | <b>2009</b>             | <b>2008</b>       |
| <b>Net income</b>   | (Won) 1,067,946,209,259 | 1,086,896,360,997 |
| Interest on convertible bond, net of tax  | 20,521,477,453          | 19,139,925,063    |
| <b>Adjusted income</b>  | 1,088,467,686,712       | 1,106,036,286,060 |
| Adjusted weighted-average number of common shares outstanding and common equivalent shares(*) | 368,457,551             | 368,346,462       |
| <b>Diluted earnings per share</b>   | (Won) 2,954             | 3,003             |

(\*) Adjusted weighted-average number of common shares outstanding is calculated as follows:

| <i>(Number of shares)</i>  |             |             |
|--|-------------|-------------|
|  | <b>2009</b> | <b>2008</b> |
| <b>Weighted-average number of common shares (basic)</b>            | 357,815,700 | 357,815,700 |
| Effect of conversion of convertible bonds                          | 10,641,851  | 10,530,762  |
| <b>Adjusted weighted-average number of common shares (diluted)</b> | 368,457,551 | 368,346,462 |

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- (c) The number of dilutive potential ordinary shares outstanding for the years ended December 31, 2009 and 2008 is calculated as follows:

| <i>(Number of shares)</i>                 | <b>2009</b>        | <b>2008</b>        |
|---|--------------------|--------------------|
| Number of convertible bonds               | 10,641,851         | 10,530,762         |
|   | January 1, 2009~   | January 1, 2008~   |
| Period                                    | December 31, 2009  | December 31, 2008  |
| Weight                                    | 365 days /365 days | 366 days /366 days |
| Effect of conversion of convertible bonds | 10,641,851         | 10,530,762         |

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****28 Dividends**

(a) The dividend payout ratios for the years ended December 31, 2009 and 2008 are as follows:

*(In millions of Won except Dividend payout ratio)*

|                       | 2009      | 2008      |
|-----------------------|-----------|-----------|
| Dividend amount       | 178,908   | 178,908   |
| Net income            | 1,067,946 | 1,086,896 |
| Dividend payout ratio | 16.75%    | 16.46%    |

(b) The dividend yield ratios for the years ended December 31, 2009 and 2008 are as follows:

*(In Won except Dividend yield ratio)*

|   | 2009   | 2008   |
|---|--------|--------|
| Dividend per share                            | 500    | 500    |
| Market price of a common share as of year end | 39,250 | 21,000 |
| Dividend yield ratio                          | 1.27%  | 2.38%  |

**29 Share-Based Payments**

(a) The terms and conditions of share-based payment arrangement as of December 31, 2009 are as follows:

|                                      | Descriptions   |
|--------------------------------------|--|
| Settlement method                    | Cash settlement  |
| Type of arrangement                  | Stock appreciation rights (granted to senior executives) |
| Date of grant                        | April 7, 2005  |
| Weighted-average exercise price (*1) | (Won)44,050  |
| Number of rights granted             | 450,000  |
| Number of rights forfeited (*2)      | 230,000  |
| Number of rights cancelled (*3)      | 110,000  |
| Number of rights outstanding         | 110,000  |
| Exercise period                      | From April 8, 2008 to April 7, 2012                      |
| Vesting conditions                   | Two years of service from the date of grant              |

(\*1) The exercise price at the grant date was (Won)44,260 per stock appreciation right ( SARs ). However, the exercise price was subsequently adjusted to (Won)44,050 due to additional issuance of common shares in 2005.

(\*2) SARs were forfeited in connection with senior executives who left the Company before meeting the vesting requirement.

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- (\*3) If the appreciation of the Company's share price is equal or less than that of the Korea Composite Stock Price Index ( KOSPI ) over the three-year period following the grant date, only 50% of the outstanding SARs are exercisable. As the actual increase rate of the Company's share price for the three-year period ending April 7, 2008 was less than that of the KOSPI for the same three-year period, 50% of then outstanding SARs were cancelled in 2008.

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****29 Share-Based Payments, Continued**

(b) The changes in the number of SARs outstanding for the years ended December 31, 2009 and 2008 are as follows:

| <i>(Number of shares)</i>    | <b>Stock appreciation rights</b> |             |
|------------------------------|----------------------------------|-------------|
|                              | <b>2009</b>                      | <b>2008</b> |
| Balance at beginning of year | 110,000                          | 220,000     |
| Forfeited or cancelled       |                                  | 110,000     |
| Outstanding at end of year   | 110,000                          | 110,000     |
| Exercisable at end of year   | 110,000                          | 110,000     |

**30 Comprehensive Income**

Comprehensive income for the years ended December 31, 2009 and 2008 is as follows:

| <i>(In millions of Won)</i>   | <b>2009</b>     | <b>2008</b> |
|---|-----------------|-------------|
| <b>Net income</b>   | (Won) 1,067,947 | 1,086,896   |
| Change in fair value of available-for-sale securities, net of tax effect of (Won)6,333 million in 2009 and (Won)(7,314) in 2008               | (22,453)        | 25,934      |
| Change in equity arising from application of equity method, net of tax effect of (Won)7,060 million in 2009 and (Won)(47,354) million in 2008 | (25,034)        | 144,688     |
| Gain on valuation of cash flow hedges, net of tax effect of nil in 2009 and (Won)568 million in 2008  |                 | (1,498)     |
| Loss on valuation of cash flow hedges, net of tax effect of (Won)(2,448) million in 2009 and (Won)(874) million in 2008                       | 8,423           | (1,009)     |
| <b>Comprehensive income</b>   | (Won) 1,028,883 | 1,255,011   |



**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****31 Value-Added Information**

Value added information for the years ended December 31, 2009 and 2008 is as follows:

(i) 2009

| <i>(In millions of Won)</i> |       | Cost of sales | Selling,<br>general and<br>administrative<br>expense | Research and<br>development<br>expense (*1) | Construction-<br>in-progress | Total     |
|-----------------------------|-------|---------------|--|---|------------------------------|-----------|
| Salaries and wages          | (Won) | 815,832       | 101,838  | 67,956                                      | 22,535                       | 1,008,161 |
| Severance benefits          |       | 64,013        | 8,596  | 4,595                                       | 2,118                        | 79,322    |
| Other employee benefits     |       | 147,125       | 21,711   | 7,961                                       | 2,607                        | 179,404   |
| Rent                        |       | 9,676         | 4,347  | 771   | 1                            | 14,795    |
| Depreciation (*2)           |       | 2,577,306     | 14,796   | 19,706                                      | 1,986                        | 2,613,794 |
| Taxes and dues              |       | 15,068        | 2,156  | 526   | 7                            | 17,757    |
|                             | (Won) | 3,629,020     | 153,444  | 101,515                                     | 29,254                       | 3,913,233 |

(ii) 2008

| <i>(In millions of Won)</i> |       | Cost of sales | Selling,<br>general and<br>administrative<br>expense | Research and<br>development<br>expense (*1) | Construction-<br>in-progress | Total     |
|-----------------------------|-------|---------------|--|---|------------------------------|-----------|
| Salaries and wages          | (Won) | 642,857       | 89,634   | 54,595                                      | 21,305                       | 808,391   |
| Severance benefits          |       | 53,363        | 9,453  | 4,673                                       | 1,467                        | 68,956    |
| Other employee benefits     |       | 108,507       | 14,830   | 6,197                                       | 2,119                        | 131,653   |
| Rent                        |       | 12,275        | 4,756  | 446   |                              | 17,477    |
| Depreciation (*2)           |       | 2,302,146     | 9,240  | 19,503                                      | 708                          | 2,331,597 |
| Taxes and dues              |       | 8,643         | 4,489  | 170   |                              | 13,302    |
|                             | (Won) | 3,127,791     | 132,402  | 85,584                                      | 25,599                       | 3,371,376 |

(\*1) Research and development expense includes amount allocated to cost of sales and selling, general and administrative expense.

(\*2) Depreciation includes amortization of intangible assets.

**32 Supplemental Cash Flow Information**

Significant non-cash investing and financing activities for the years ended December 31, 2009 and 2008 are as follows:

| <i>(In millions of Won)</i>  | <b>2009</b>     | <b>2008</b> |
|--|-----------------|-------------|
| Increase (decrease) in other accounts payable arising from purchase of property, plant and equipment | (Won) (618,961) | 1,265,519   |

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****33 Segment Information**

- (a) The Company manufactures and sells TFT-LCD and AM-OLED products. The segment of AM-OLED is not presented separately, as the sales of AM-OLED products are insignificant to total sales.
- (b) The Company sells its products in domestic and foreign markets. Export sales represent approximately 95% of total sales for the year ended December 31, 2009. The following is a summary of sales by region based on the location of the customers for the years ended December 31, 2009 and 2008:

*(In millions of Won)*

|      | Domestic        | Taiwan    | Japan     | US        | China     | Europe    | Others    | Total      |
|------|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| 2009 | (Won) 946,734   | 4,489,075 | 1,731,679 | 3,148,156 | 4,321,779 | 3,552,654 | 1,929,265 | 20,119,342 |
| 2008 | (Won) 1,063,742 | 3,523,766 | 1,548,890 | 2,194,250 | 2,971,396 | 2,732,894 | 1,830,302 | 15,865,240 |

**34 Date of Authorization for Issue of Financial Statements**

The 2009 financial statements were authorized for issue on January 20, 2010, at the Board of Directors Meeting.

**35 Results of Operations for the Last Interim Period***(In millions of Won)*

|                                    | 2009<br>4 <sup>th</sup> Quarter | 2008<br>4 <sup>th</sup> Quarter |
|------------------------------------|---------------------------------|---------------------------------|
| Revenue                            | (Won)5,924,946                  | 3,722,702                       |
| Operating income (loss)            | 280,507                         | (432,934)                       |
| Net income (loss) for the period   | 463,101                         | (696,677)                       |
| Earnings (loss) per share (in Won) | 1,294                           | (1,947)                         |

**36 Status of the Company's Adoption of Korean IFRS**

The preparation of financial statements under Korean International Financial Reporting Standards ( K-IFRS ) is mandatory for all listed companies in the Republic of Korea from 2011; however, the Company has elected to early adopt K-IFRS from the year ended December 31, 2010. Information on the Company's K-IFRS adoption plan and the current status of progress is as follows:

- (a) K-IFRS Adoption Plan and current status of progress

The Company has employees in its accounting department who prepare for early adoption and perform related tasks. These employees analyze the effect of K-IFRS adoption to the Company and its financial reporting system and financial statements and report the results and status of the Company's transition to K-IFRS to the management. In 2007, the Company has contracted external consultants and completed generally accepted

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accounting principles ( GAAP ) difference analysis. As a result, the Company s accounting policy in accordance with IFRS was established after an analysis of GAAP differences between Korean GAAP ( K-GAAP ) and K-IFRS and alternative accounting methods allowed in K-IFRS. Currently, the Company is preparing financial statements in accordance with K-IFRS for the transition date and the year ended December 31, 2009.

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****36 Status of the Company's Adoption of Korean IFRS, Continued**

## (b) Significant GAAP differences between Korean GAAP and K-IFRS

| Area                          | Current K-GAAP   | K-IFRS  |
|-------------------------------|--|---|
| Convertible bonds             | In accordance with Statements of Korean Accounting Standards ( SKAS ) No. 9 the Company recognizes liability at fair value measured by the present value of the expected future cash flows and amortizes the difference between the fair value and proceeds received at the issue date using the effective interest method. Recognize conversion right on debentures in equity and do not reevaluate | In accordance with K-IFRS 1039, the convertible bonds are designated as financial liabilities at fair value through profit or loss ( FVTPL ) and recognized at fair value with changes in fair value recognized in profit or loss.  |
| Employee benefits             | The Company recognizes retirement and severance liability expected to be payable if all employees, who have been with the Company for more than one year, left at the end of the reporting period.   | In accordance with K-IFRS 1019, the Company recognizes defined benefit obligations at present value of the expected future benefit cost using unbiased and mutually compatible actuarial assumptions about demographic variables and financial variables. Under the Company's accounting policy, recognize all actuarial gain/loss in equity. |
| Share-based payment           | In accordance with K-GAAP Interpretation 39-35, liability relating to fully vested share-based payment to be settled in cash is remeasured at the intrinsic value at each reporting date and at the date of settlement and the Company recognizes the changes in the intrinsic value as compensation expenses.   | The Company recognizes the liability relating to fully vested share-based payment to be settled in cash at fair value at each reporting date with changes in fair value recognized in profit or loss.   |
| Available-for-sale securities | In accordance with SKAS No. 8, the Company recognizes available-for-sale securities at fair value with changes in fair value recognized in accumulated other comprehensive income.   | In accordance with K-IFRS 1039, the Company may designate available-for-sale securities as FVTPL at inception and recognize the changes in fair value in profit or loss.  |
|                               |  | In accordance with K-IFRS 1039, the Company recognizes available-for-sale debt securities at fair value with effect of changes  |

in exchange rate recognized in profit or loss, the remaining differences between acquisition cost and fair value recognized in accumulated other comprehensive income, and any dividend recognized in profit at the date when dividend is determined. Convertible preferred stock is regarded as debt security.

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****36 Status of the Company's Adoption of Korean IFRS, Continued**

| Area                                       | Current K-GAAP   | K-IFRS   |
|--|--|--|
| Derivatives                                | In accordance with K-GAAP Interpretation 53-70, the Company applies cash flow hedge accounting for derivatives only if certain conditions are met.   | In K-IFRS 1039, criteria to apply cash flow hedge accounting is more detailed than current K-GAAP and the Company does not apply cash flow hedge accounting as a condition of the detailed criteria is not met   |
| Investments in associates and subsidiaries | In accordance with K-GAAP Interpretation 53-70, the Company applies cash flow hedge accounting for derivatives only if certain conditions are met.   | In K-IFRS 1039, criteria to apply cash flow hedge accounting is more detailed than current K-GAAP and the Company does not apply cash flow hedge accounting as a condition of the detailed criteria is not met   |
| Capitalization of development cost         | In accordance with SKAS No. 3, an internally generated intangible asset is recognized only if it is highly probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably  | In accordance with K-IFRS 1038, an internally generated intangible asset is recognized if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably. |
| Deferred taxes                             | Recognition of deferred tax assets and liabilities is based on assessment of temporary differences regardless of how each temporary difference is reversed. Deferred taxes are classified current or non-current portion based on classification of related item in the financial statements. Classification of current and non-current for items not related to balance sheet items are determined based on estimated reversal. | Deferred tax assets and liabilities are recognized based on assessment of temporary differences that considers how each temporary difference is reversed. Deferred tax assets and liabilities are classified as non-current.   |
| Long-term payables                         | Long-term payables of LGDUS is discounted using the Company's weighted average borrowing rate.   | Long-term payables of LGDUS is discounted using risk free rate.  |
| Borrowing costs                            | In accordance with SKAS No. 7, borrowing costs are capitalized regardless of time required to get an asset ready for its intended use.   | In accordance with K-IFRS 1023, borrowing costs that take a substantial period of time required to get an asset ready for its intended use is capitalized.   |

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****36 Status of the Company's Adoption of Korean IFRS, Continued**

(c) Summary of the effects of the adoption of K-IFRS on the Company's financial position and the results of its operation

(i) The effects of the adoption of K-IFRS on the Company's financial position as of January 1, 2009, the transition date to IFRS, are as follows:

*(In millions of Won)*

|   | <b>Total assets</b> | <b>Total liabilities</b> | <b>Total equity</b> |
|---|---------------------|--------------------------|---------------------|
| <b>K-GAAP</b>   | (Won) 16,501,987    | 7,225,965                | 9,276,022           |
| <b>Adjustment for:</b>  |                     |                          |                     |
| Convertible bonds (*1)  |                     | 134,568                  | (134,568)           |
| Employee benefits (*2)  |                     | 5,170                    | (5,170)             |
| Share-based payments (*3)   |                     | 114                      | (114)               |
| Long-term payables (*4)   |                     | 56,661                   | (56,661)            |
| Change in capital adjustment arising from equity method investments(*5) | 46,513              |                          | 46,513              |
| Deferred tax asset (*6)   | 31,825              |                          | 31,825              |
| <b>Total adjustment</b>   | <b>78,338</b>       | <b>196,513</b>           | <b>(118,175)</b>    |
| <b>K-IFRS</b>   | (Won) 16,580,325    | 7,422,478                | 9,157,847           |

(\*1) Designated convertible bonds as financial liability at fair value through profit or loss under IFRS

(\*2) Assessment of employee benefits using actuarial assumptions under IFRS

(\*3) Measurement of share-based payment using fair value under IFRS

(\*4) Difference in discount rate applied to present value calculation of long-term payables

(\*5) Difference in deferred taxes on change in capital adjustment arising from equity method investments

(\*6) Deferred tax adjustments on differences in accounting balances under K-IFRS and current K- GAAP.



**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****36 Status of the Company's Adoption of Korean IFRS, Continued**

(ii) The effects of the adoption of K-IFRS on the Company's financial position as of December 31, 2009 are as follows:

*(In millions of Won)*

|  | Total assets     | Total liabilities | Total equity |
|--|------------------|-------------------|--------------|
| <b>K-GAAP</b>  | (Won) 18,885,163 | 8,759,879         | 10,125,284   |
| <b>Adjustment for:</b>   |                  |                   |              |
| Convertible bonds (*1)   |                  | 170,316           | (170,316)    |
| Employee benefits (*2)   |                  | 25,322            | (25,322)     |
| Share-based payments (*3)  |                  | 315               | (315)        |
| Long-term payables (*4)  |                  | 60,116            | (60,116)     |
| Equity-method investments (*5)   | 18,004           | (23,066)          | 41,070       |
| Capitalized borrowing costs (*6)   | (1,666)          |                   | (1,666)      |
| Development cost (*7)  | 80,454           |                   | 80,454       |
| Change in capital adjustment arising from equity method investments (*8) | 39,453           |                   | 39,453       |
| Deferred tax asset (*9)  | 5,672            |                   | 5,672        |
| <b>Total adjustment</b>  | 141,917          | 233,003           | (91,086)     |
| <b>K-IFRS</b>  | (Won) 19,027,080 | 8,992,882         | 10,034,198   |

(\*1) Designated convertible bonds as financial liability at fair value through profit or loss under IFRS

(\*2) Assessment of employee benefits using actuarial assumptions under IFRS

(\*3) Measurement of share-based payment using fair value under IFRS

(\*4) Difference in discount rate applied to present value calculation of long-term payables

(\*5) Investments in subsidiaries and associates previously treated under the equity method, which is recorded at the book value of January 1, 2009 under IFRS

(\*6) Difference in capitalization of borrowing costs that takes a substantial period of time to get ready for its intended use

(\*7) Capitalization of development costs meeting capitalization criteria under IFRS

(\*8) Difference in deferred taxes on change in capital adjustment arising from equity method investments

(\*9) Deferred tax adjustments on differences in accounting balances under K-IFRS and current K- GAAP

**Table of Contents****LG DISPLAY CO., LTD.****Notes to Non-Consolidated Financial Statements (Continued)****December 31, 2009 and 2008****36 Status of the Company's Adoption of Korean IFRS, Continued**

- (iii) The effects of the adoption of K-IFRS on the Company's result of operations for the year ended December 31, 2009 are as follows:

*(In millions of Won)*

|   | Net income      | Total<br>Comprehensive<br>income |
|---|-----------------|----------------------------------|
| <b>K-GAAP</b>   | (Won) 1,067,947 | 1,028,883                        |
| <b>Adjustment for:</b>  |                 |                                  |
| Convertible bonds (*1)  | (35,748)        | (35,748)                         |
| Employee benefits (*2)  | (1,259)         | (20,152)                         |
| Share-based payments (*3)   | (201)           | (201)                            |
| Available for sale securities (*4)  | (3,373)         |                                  |
| Derivatives (*5)  | 8,337           |                                  |
| Long-term payables (*6)   | (3,455)         | (3,455)                          |
| Financial asset at fair value through profit and loss (*7)                | 1,599           |                                  |
| Equity method investments (*8)  | 8,263           | 40,357                           |
| Capitalized borrowing costs (*9)  | (1,666)         | (1,666)                          |
| Development cost (*10)  | 80,454          | 80,454                           |
| Change in capital adjustment arising from equity method investments (*11) |                 | (7,060)                          |
| Deferred tax asset (*12)  | (32,083)        | (26,153)                         |
| <b>Total adjustment</b>   | <b>20,868</b>   | <b>26,376</b>                    |
| <b>K-IFRS</b>   | (Won) 1,088,815 | 1,055,259                        |

(\*1) Designated convertible bonds as financial liability at fair value through profit or loss under IFRS

(\*2) Assessment of employee benefits using actuarial assumptions under IFRS

(\*3) Measurement of share-based payment using fair value under IFRS

(\*4) Gains/losses on foreign currency translation and interest income on convertible preferred stocks

(\*5) Derivatives previously accounted for as cash flow hedge were derecognized as held-for-trading derivative asset

(\*6) Difference in discount rate applied to present value calculation of long-term payables

(\*7) Fair value recognition of investment assets designated as financial asset at fair value through profit

(\*8) Investments in subsidiaries and associates previously treated under the equity method, which is recorded at the book value of January 1, 2009 under IFRS

(\*9) Difference in capitalization of borrowing costs that takes a substantial period of time to get ready for its intended use

(\*10) Capitalization of development costs meeting capitalization criteria under IFRS

(\*11) Difference in deferred taxes on change in capital adjustment arising from equity method investments

(\*12) Deferred tax adjustments on differences in accounting balances under K-IFRS and current K- GAAP

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The effects of K-IFRS adoption to the Company's financial position and result of operations may change if the Company's selection of IFRS accounting policy changes.

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**Independent Accountants' Review Report on Internal Accounting Control System**

**English translation of a Report Originally Issued in Korean**

To the President of

LG Display Co., Ltd.:

We have reviewed the accompanying Report on the Operations of Internal Accounting Control System ( IACS ) of LG Display Co., Ltd. (the Company ) as of December 31, 2009. The Company's management is responsible for designing and maintaining effective IACS and for its assessment of the effectiveness of IACS. Our responsibility is to review management's assessment and issue a report based on our review. In the accompanying report of management's assessment of IACS, the Company's management stated: Based on the assessment on the operations of the IACS, the Company's IACS has been effectively designed and is operating as of December 31, 2009, in all material respects, in accordance with the IACS Framework issued by the Internal Accounting Control System Operation Committee.

We conducted our review in accordance with IACS Review Standards, issued by the Korean Institute of Certified Public Accountants. Those Standards require that we plan and perform the review to obtain assurance of a level less than that of an audit as to whether Report on the Operations of Internal Accounting Control System is free of material misstatement. Our review consists principally of obtaining an understanding of the Company's IACS, inquiries of company personnel about the details of the report, and tracing to related documents we considered necessary in the circumstances. We have not performed an audit and, accordingly, we do not express an audit opinion.

A company's IACS is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, however, IACS may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Based on our review, nothing has come to our attention that Report on the Operations of Internal Accounting Control System as of December 31, 2009 is not prepared in all material respects, in accordance with IACS Framework issued by the Internal Accounting Control System Operation Committee.

This report applies to the Company's IACS in existence as of December 31, 2009. We did not review the Company's IACS subsequent to December 31, 2009. This report has been prepared for Korean regulatory purposes, pursuant to the External Audit Law, and may not be appropriate for other purposes or for other users.

KPMG Samjong Accounting Corp.

Seoul, Korea

February 16, 2010

**Notice to Readers**

This report is annexed in relation to the audit of the non-consolidated financial statements as of and for the year ended December 31, 2009 and the review of internal accounting control system pursuant to Article 2-3 of the Act on External Audit for Stock Companies of the Republic of Korea.

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**Report on the operation of internal Control of Financial Reporting**

To the Board of Directors and Audit Committee of LG Display Co., Ltd

I, as the Internal Control over Financial Reporting ( ICFR ) Officer of LG Display ( the Company ), assessed the effectiveness of the design and operation of the Company s ICFR for the year ending December 31, 2009.

The Company s management, including myself, is responsible for designing and operating an ICFR. I assessed the design and operational effectiveness of the ICFR in the prevention and detection of an error or fraud which may cause a misstatement in the preparation and disclosure of reliable financial statements. I followed the Best Practice Guideline to evaluate the effectiveness of the ICFR design and operation.

Based on the assessment results, I believe that the Company s ICFR, as of December 31, 2009, is effectively designed and operating, in all material respects, in conformity with the Best Practice Guideline.

January 18, 2010

James (Hoyoung) Jeong  
Internal Control over Financial Reporting Officer

Young Soo Kwon  
Chief Executive Officer

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LG Display Co., Ltd.  
(Registrant)

Date: March 5, 2010

By: /s/ ANTHONY MOON  
(Signature)  
Name: Anthony Moon  
Title: Vice President / IR Department