

LG Display Co., Ltd.  
Form 6-K  
August 17, 2015  
Table of Contents

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Form 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER**

**PURSUANT TO RULE 13a-16 OR 15d-16**

**UNDER THE SECURITIES EXCHANGE ACT OF 1934**

**For the month of August 2015**

**LG Display Co., Ltd.**

**(Translation of Registrant's name into English)**

**LG Twin Towers, 128 Yeoui-daero, Yeongdeungpo-gu, Seoul 150-721, Republic of Korea**

**(Address of principal executive offices)**

Edgar Filing: LG Display Co., Ltd. - Form 6-K

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

**Table of Contents****SEMI-ANNUAL REPORT**

(From January 1, 2015 to June 30, 2015)

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

IN THE TRANSLATION PROCESS, SOME PARTS OF THE REPORT WERE REFORMATTED, REARRANGED OR SUMMARIZED AND CERTAIN NUMBERS WERE ROUNDED FOR THE CONVENIENCE OF READERS. REFERENCES TO Q1 , Q2 , Q3 and Q4 OF A FISCAL YEAR ARE REFERENCES TO THE THREE-MONTH PERIODS ENDED MARCH 31, JUNE 30, SEPTEMBER 30 AND DECEMBER 31, RESPECTIVELY, OF SUCH FISCAL YEAR. REFERENCES TO H1 OF A FISCAL YEAR ARE REFERENCES TO THE SIX-MONTH PERIOD ENDED JUNE 30 OF SUCH FISCAL YEAR.

UNLESS EXPRESSLY STATED OTHERWISE, ALL INFORMATION CONTAINED HEREIN IS PRESENTED ON A CONSOLIDATED BASIS IN ACCORDANCE WITH KOREAN INTERNATIONAL FINANCIAL REPORTING STANDARDS, OR K-IFRS, WHICH DIFFER IN CERTAIN RESPECTS FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CERTAIN OTHER COUNTRIES, INCLUDING THE UNITED STATES. K-IFRS ALSO DIFFERS IN CERTAIN RESPECTS FROM THE INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ISSUED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD. WE HAVE MADE NO ATTEMPT TO IDENTIFY OR QUANTIFY THE IMPACT OF THESE DIFFERENCES IN THIS DOCUMENT.

**Contents**

1.	<u>Company</u>	4
	A. <u>Name and contact information</u>	4
	B. <u>Domestic credit rating</u>	4
	C. <u>Capitalization</u>	5
	D. <u>Voting rights</u>	6
	E. <u>Dividends</u>	6
2.	<u>Business</u>	6
	A. <u>Business overview</u>	6
	B. <u>Industry</u>	7
	C. <u>New businesses</u>	9
3.	<u>Major Products and Raw Materials</u>	9
	A. <u>Major products</u>	9
	B. <u>Average selling price trend of major products</u>	9
	C. <u>Major raw materials</u>	9
4.	<u>Production and Equipment</u>	10
	A. <u>Production capacity and output</u>	10
	B. <u>Production performance and utilization ratio</u>	10
	C. <u>Investment plan</u>	11
5.	<u>Sales</u>	11

A.	<u>Sales performance</u>	11
B.	<u>Sales route and sales method</u>	11
6.	<u>Market Risks and Risk Management</u>	12
A.	<u>Market risks</u>	12
B.	<u>Risk management</u>	12
7.	<u>Derivative Contracts</u>	13
A.	<u>Currency risks</u>	13
B.	<u>Interest rate risks</u>	13

**Table of Contents**

8.	<u>Major Contracts</u>	13
9.	<u>Research &amp; Development</u>	13
	A. <u>Summary of R&amp;D-related expenditures</u>	13
	B. <u>R&amp;D achievements</u>	14
10.	<u>Intellectual Property</u>	18
11.	<u>Environmental and Safety Matters</u>	18
12.	<u>Financial Information</u>	20
	A. <u>Financial highlights (Based on consolidated K-IFRS)</u>	20
	B. <u>Financial highlights (Based on separate K-IFRS)</u>	21
	C. <u>Consolidated subsidiaries</u>	21
	D. <u>Status of equity investment</u>	22
13.	<u>Audit Information</u>	23
	A. <u>Audit service</u>	23
	B. <u>Non-audit service</u>	23
14.	<u>Board of Directors</u>	23
	A. <u>Members of the board of directors</u>	23
	B. <u>Committees of the board of directors</u>	24
	C. <u>Independence of directors</u>	24
15.	<u>Information Regarding Shares</u>	24
	A. <u>Total number of shares</u>	24
	B. <u>Shareholder list</u>	24
16.	<u>Directors and Employees</u>	25
	A. <u>Directors</u>	25
	B. <u>Employees</u>	26

Attachment: 1. Financial Statements in accordance with K-IFRS

**Table of Contents****1. Company****A. Name and contact information**

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

Our principal executive office is located at LG Twin Towers, 128 Yeoui-daero, Yeongdeungpo-gu, Seoul 150-721, Republic of Korea, and our telephone number is +82-2-3777-1010. Our website address is <http://www.lgdisplay.com>.

**B. Domestic credit rating**

Subject instrument	Month of rating	Credit rating <sup>(1)</sup>	Rating agency (Rating range)
	February 2010		
	May 2010		
	December 2010		
	August 2011		
	June 2012	AA-	
	October 2012		
	March 2013		NICE Information Service Co., Ltd. (AAA ~ D)
	June 2013		
	October 2013		
	April 2014		
	September 2014	AA	
	April 2015		
Corporate bonds	February 2010		
	May 2010		
	August 2010		
	February 2011		
	April 2011		
	August 2011	AA-	
	October 2011		
	June 2012		Korea Investors Service, Inc. (AAA ~ D)
	October 2012		
	June 2013		
	October 2013		
	March 2014		
	April 2015	AA	
	August 2010	AA-	
	December 2010		
	February 2011		
	April 2011		

Edgar Filing: LG Display Co., Ltd. - Form 6-K

July 2011	
October 2011	
June 2012	
March 2013	
June 2013	
March 2014	
September 2014	AA
May 2015	

**Table of Contents**

(1) Domestic credit ratings are generally defined to indicate the following:

Subject		
instrument	Credit rating	Definition
	AAA	Strongest capacity for timely repayment.
	AA+/AA/AA-	Very strong capacity for timely repayment. This capacity may, nevertheless, be slightly inferior than is the case for the highest rating category
	A+/A/A-	Strong capacity for timely repayment. This capacity may, nevertheless, be more vulnerable to adverse changes in circumstances or in economic conditions than is the case for higher rating categories.
	BBB+/BBB/BBB-	Capacity for timely repayment is adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity.
Corporate bonds	BB+/BB/BB-	Capacity for timely repayment is currently adequate, but that there are some speculative characteristics that make the repayment uncertain over time.
	B+/B/B-	Lack of adequate capacity for repayment and speculative characteristics. Interest payment in time of unfavorable economic conditions is uncertain.
	CCC	Lack of capacity for even current repayment and high risk of default.
	CC	Greater uncertainties than higher ratings.
	C	High credit risk and lack of capacity for timely repayment.
	D	Insolvency.

### C. Capitalization

(1) Change in capital stock (as of June 30, 2015)

There were no changes to our issued capital stock during the semi-annual reporting period ended June 30, 2015.

(2) Convertible bonds

Not applicable.



**Table of Contents**

## D. Voting rights (as of June 30, 2015)

Description	(Unit: share)	
	Number of shares	
A. Total number of shares issued: <sup>(1)</sup>	Common shares <sup>(1)</sup>	357,815,700
	Preferred shares	
B. Shares without voting rights:	Common shares	
	Preferred shares	
C. Shares subject to restrictions on voting rights pursuant to our articles of incorporation:	Common shares	
	Preferred shares	
D. Shares subject to restrictions on voting rights pursuant to regulations:	Common shares	
	Preferred shares	
E. Shares with restored voting rights:	Common shares	
	Preferred shares	
Total number of issued shares with voting rights (=A B C D + E):	Common shares	357,815,700
	Preferred shares	

(1) Authorized: 500,000,000 shares

## E. Dividends

Dividends for the three most recent fiscal years

Description (unit)	2014	2013	2012
Par value (Won)	5,000	5,000	5,000
Profit for the year (million Won) <sup>(1)</sup>	904,268	426,118	233,204
Earnings per share (Won) <sup>(2)</sup>	2,527	1,191	652
Total cash dividend amount for the period (million Won)	178,908		
Total stock dividend amount for the period (million Won)			
Cash dividend payout ratio (%)	19.78%		
Cash dividend yield (%) <sup>(3)</sup>	Common shares	1.47%	
	Preferred shares		
Stock dividend yield (%)	Common shares		

Cash dividend per share (Won)	Preferred shares	
	Common shares	500
Stock dividend per share (share)	Preferred shares	
	Common shares	
	Preferred shares	

- (1) Based on profit for the year attributable to us as owners of the controlling company.
- (2) Earnings per share is based on par value of ₩5,000 per share and is calculated by dividing net income by weighted average number of common shares.
- (3) Cash dividend yield is the percentage that is derived by dividing cash dividend by the arithmetic average of the daily closing prices of our common shares during the one-week period ending two trading days prior to the closing of the register of shareholders for the purpose of determining the shareholders entitled to receive annual dividends.

## 2. Business

### A. Business overview

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

**Table of Contents**

As of June 30, 2015, in Korea we operated TFT-LCD and OLED production facilities and a research center in Paju and TFT-LCD production facilities in Gumi. We have also established subsidiaries in the Americas, Europe and Asia.

As of June 30, 2015, our business consisted of the manufacture and sale of display and display related products utilizing TFT-LCD, OLED and other technologies under a single reporting business segment.

**2015 H1 consolidated operating results highlights**

	(Unit: In billions of Won)
2015 H1	Display business
Sales Revenue	13,730
Gross Profit	2,501
Operating Profit	1,232

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

TFT-LCD display panels are one of the most widely used type of display panels in flat panel display products, and the entry barriers to manufacture TFT-LCD display panels are relatively high due to the technology and capital intensive nature of the mass manufacturing process that is required to achieve economies of scale, among other factors.

While growth in the market for displays used in notebook computer, monitor and other traditional IT products has stagnated or declined, the market for small- and medium-sized displays (including those used in smartphones) in the rapidly evolving IT environment has shown steady growth. The display market for televisions has also shown steady growth mainly due to growing demand from developing countries as well as from consumers in general for larger sized display panels. As for displays used in industrial, automobile and other value added products, we expect to see growth in these markets.

**(2) Cyclicalities**

The display panel business is highly cyclical and sensitive to fluctuations in the general economy. The industry experiences periodic volatility caused by imbalances between supply and demand due to capacity expansion and changing production utilization rates within the industry.

Macroeconomic factors and other causes of business cycles can affect the rate of growth in demand for display panels. Accordingly, if supply exceeds demand, average selling prices of display panels may decrease. Conversely, if growth in demand outpaces growth in supply, average selling prices may increase.

(3) Market conditions

Overall, while there have been some variations in rates of production capacity growth among individual display panel manufacturers, display panel manufacturers have generally slowed their respective rates of production capacity growth since 2011 due to a slowdown in growth of the display panel industry.

Most display panel manufacturers are located in Asia.

a. Korea: LG Display, Samsung Display, etc.

**Table of Contents**

- b. Taiwan: AU Optronics, Innolux, CPT, HannStar, etc.
- c. Japan: Japan Display, Sharp, Panasonic LCD, etc.
- d. China: BOE, CSOT, etc.

## (4) Market shares

Our worldwide market share of large-sized display panels (i.e., panels that are 9 inches or larger) based on revenue is as follows:

	2015 H1	2014	2013
Panels for Televisions <sup>(1)</sup>	25.6%	25.0%	24.7%
Panels for Monitors	38.6%	32.7%	34.0%
Panels for Notebook Computers <sup>(2)</sup>	27.0%	27.5%	32.3%
Panels for Tablet Computers	23.1%	27.0%	32.0%
<b>Total</b>	<b>28.0%</b>	<b>26.9%</b>	<b>27.8%</b>

*Source: DisplaySearch*

- (1) Includes panels for public displays.
- (2) Includes panels for netbooks.

## (5) Competitiveness

Our ability to compete successfully depends on factors both within and outside our control, including product pricing, our relationship with customers, timely investments, adaptable production capabilities, development of new and premium products through technological advances, competitive production costs, success in marketing to our end-brand customers, component and raw material supply costs, foreign exchange rates and general economic and industry conditions.

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

A substantial portion of our sales is attributable to a limited number of end-brand customers and their designated system integrators. The loss of these end-brand customers, as a result of customers entering into

strategic supplier arrangements with our competitors or otherwise, would result in reduced sales.

Developing new products and technologies that can be differentiated from those of our competitors is critical to the success of our business. It is important that we take active measures to protect our intellectual property internationally by obtaining patents and undertaking monitoring activities in our major markets. It is also necessary to recruit and retain experienced key managerial personnel and skilled line operators.

As a leading technology innovator in the display industry, we continue to focus on delivering differentiated value to our customers by developing various technologies and products, including display panels with IPS, Advanced In-cell Touch, OLED and other technologies. With respect to TFT-LCD panels, we are leading the market with our differentiated products with IPS technology, such as our slim and light ultra-high definition ( Ultra HD ) television panels and 21:9 screen aspect ratio ultra-wide IPS curved monitors, and have prepared our production facilities to produce small- and medium-sized products with Advanced In-cell Touch technology. With respect to OLED panels, following our supply of the world's first 55-inch OLED 3D panels for televisions in January 2013, we have supplied Ultra HD OLED panels for televisions, flexible plastic OLED panels for smartphones, round OLED panels for wearable devices among others and have shown that we are technologically a step ahead of the competition.

Moreover, we entered into long-term sales contracts with major global firms to secure customers and expand partnerships for technology development.

**Table of Contents**

## C. New businesses

For our continued growth, we are actively exploring and preparing for new business opportunities that may arise in the changing market environment. As such, we are continually reviewing and looking at opportunities in the display and promising new industries.

**3. Major Products and Raw Materials**

## A. Major products

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

(Unit: In billions of Won, except percentages)

Business area	Sales type	Items (Market)	Usage	Major trademark	Sales in 2015 H1 (%)
Display	Product/ Service/ Other sales	Display panel (Overseas <sup>(1)</sup> )	Panels for notebook computers, monitors, televisions, smartphones, tablets, etc.	LG Display	12,487 (90.9%)
		Display panel (Korea <sup>(1)</sup> )	Panels for notebook computers, monitors, televisions, smartphones, tablets, etc.	LG Display	1,243 (9.1%)
<b>Total</b>					<b>13,730 (100.0%)</b>

Period: January 1, 2015 ~ June 30, 2015.

(1) Based on ship-to-party.

## B. Average selling price trend of major products

The average selling price of LCD panels per square meter of net display area shipped in the second quarter of 2015 decreased by approximately 5% from the first quarter of 2015, while average selling prices of LCD panels exhibited varying trends according to demand by product category. There is no assurance that the average selling prices of LCD panels will not fluctuate in the future due to change in market conditions.

(Unit: US\$ / m<sup>2</sup>)

Description	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2
Display panel <sup>(1)(2)</sup>	620	652	773	658	615

- (1) Quarterly average selling price per square meter of net display area shipped.
- (2) Excludes semi-finished products in the cell process.

C. Major raw materials

Prices of major raw materials depend on fluctuations in supply and demand in the market as well as on change in size and quantity of raw materials due to the increased production of large-sized panels.



**Table of Contents**

(Unit: In billions of Won, except percentages)

Business area	Purchase type	Items	Usage	Cost (1)	Ratio (%)
Display	Raw materials	Glass	Display panel manufacturing	773	10.74%
		Backlight		1,332	18.49%
		Polarizer		1,186	16.47%
		Others		3,910	54.30%
Total				7,201	100.0%

Period: January 1, 2015 ~ June 30, 2015.

(1) Based on total cost for purchase of raw materials which includes manufacturing and development costs, etc.

#### 4. Production and Equipment

##### A. Production capacity and output

###### (1) Production capacity

The table below sets forth the production capacity of our Gumi, Paju and Guangzhou facilities in the periods indicated.

(Unit: 1,000 glass sheets)

Business area	Items	Location of facilities	2015 H1 <sup>(1)</sup>	2014 <sup>(2)</sup>	2013 <sup>(2)</sup>
Display	Display panel	Gumi, Paju, Guangzhou	4,686	9,573	8,562

(1) Calculated based on the maximum monthly input capacity (based on glass input substrate size for eighth generation glass sheets) during the period multiplied by the number of months in the period (i.e., 6 months).

(2) Calculated based on the maximum monthly input capacity (based on glass input substrate size for eighth generation glass sheets) during the year multiplied by the number of months in a year (i.e., 12 months).

###### (2) Production output

The table below sets forth the production output of our Gumi, Paju and Guangzhou facilities in the periods indicated.

(Unit: 1,000 glass sheets)

Business area	Items	Location of facilities	2015 H1	2014	2013
---------------	-------	------------------------	---------	------	------

Display	Display panel	Gumi, Paju, Guangzhou	4,359	8,425	7,670
---------	---------------	-----------------------	-------	-------	-------

Based on glass input substrate size for eighth generation glass sheets.

B. Production performance and utilization ratio

Production facilities	(Unit: Hours, except percentages)		
	Available working hours in 2015 H1	Actual working hours in 2015 H1	Average utilization ratio
Gumi	4,344 <sup>(1)</sup>	4,236 <sup>(1)</sup>	
	(181 days) <sup>(2)</sup>	(176.5 days) <sup>(2)</sup>	97.5%
Paju	4,344 <sup>(1)</sup>	4,344 <sup>(1)</sup>	
	(181 days) <sup>(2)</sup>	(181 days) <sup>(2)</sup>	100.0%
Guangzhou	4,344 <sup>(1)</sup>	4,344 <sup>(1)</sup>	
	(181 days) <sup>(2)</sup>	(181 days) <sup>(2)</sup>	100.0%

(1) Based on the assumption that all 24 hours in a day have been fully utilized.

(2) Number of days is calculated by averaging the number of working days for each facility.

**Table of Contents**

## C. Investment plan

In 2014, our total capital expenditures on a cash out basis was ₩3 trillion. In 2015, we currently expect that our total capital expenditures on a cash out basis will be similar to that of 2014 (at a level of ₩3 trillion or less) in anticipation of funding the production of future display products and leading the market for OLED panels, as well as investing in our production facilities to respond to increases in demand for large-sized panels. Such amount is subject to change depending on business conditions and market environment

**5. Sales**

## A. Sales performance

Business area	Sales types	Items (Market)	(Unit: In billions of Won)			
			2015 H1	2014	2013	
Display	Products, etc.	Display panel	Overseas <sup>(1)</sup>	12,487	23,847	24,341
			Korea <sup>(1)</sup>	1,243	2,609	2,692
		Total		13,730	26,456	27,033

(1) Based on ship-to-party.

## B. Sales route and sales method

## (1) Sales organization

As of June 30, 2015, each of our television, IT/mobile and OLED businesses had individual sales and customer support functions.

Sales subsidiaries in the United States, Germany, Japan, Taiwan, China and Singapore perform sales activities and provide local technical support to customers.

## (2) Sales route

Sales of our products take place through one of the following two routes:

LG Display HQ and overseas manufacturing subsidiaries g Overseas sales subsidiaries (USA/Germany/Japan/Taiwan/China/Singapore), etc. g System integrators and end-brand customers g End

users

LG Display HQ and overseas manufacturing subsidiaries g System integrators and end-brand customers g  
End users

(3) Sales methods and sales terms

Direct sales and sales through overseas subsidiaries, etc. Sales terms are subject to change depending on the fluctuation in the supply and demand of LCD panels.

(4) Sales strategy

As part of our sales strategy, we have secured stable sales to major personal computer manufacturers and leading consumer electronics manufacturers globally, strengthened sales of high-resolution, IPS, narrow bezel and other high-end display panels in the tablet, notebook computer and monitor markets, led the television market with our OLED and other market leading television panels and increased the proportion of sales of our differentiated television panels, such as our Ultra HD and large television panels, in our product mix.

In the smartphone, industrial products (including aviation and medical equipment) and automobile displays segment, we have continued to build a strong and diversified business portfolio by expanding our business with customers with a global reach on the strength of our differentiated products applying IPS, plastic OLED, high-resolution, Advanced In-cell Touch and other technologies.

## **Table of Contents**

### (5) Purchase orders

Customers generally place purchase orders with us one month prior to delivery. Our customary practice for procuring orders from our customers and delivering our products to such customers is as follows:

Receive order from customer (overseas sales subsidiaries, etc.) g Headquarter is notified g Manufacture product g Ship product (overseas sales subsidiaries, etc.) g Sell product (overseas sales subsidiaries, etc.)

## **6. Market Risks and Risk Management**

### A. Market risks

The display industry continues to experience continued declines in the average selling prices of TFT-LCD and OLED panels irrespective of cyclical fluctuations in the industry, and our margins would be adversely impacted if prices decrease faster than we are able to reduce our costs.

The display industry is highly competitive. We have experienced pressure on the prices and margins of our major products due largely to additional industry capacity from panel manufacturers in Korea, Taiwan, China and Japan coupled with changes in the production mix of such manufacturers. Our main competitors in the industry include Samsung Display, AU Optronics, Innolux, Sharp, BOE, CSOT, Japan Display, CPT, HannStar and Panasonic LCD.

Our ability to compete successfully depends on factors both within and outside our control, including product pricing, performance and reliability, timely investments, adaptable production capabilities, utilization of differentiated technologies in product development, success or failure of our end-brand customers in marketing their brands and products, component and raw material supply costs, and general economic and industry conditions. We cannot provide assurance that we will be able to compete successfully with our competitors on these fronts and, as a result, we may be unable to sustain our current market position.

Our results of operations are subject to exchange rate fluctuations. To the extent that we incur costs in one currency and generate sales in a different currency, our profit margins may be affected by changes in the exchange rates between the two currencies. Our sales of display panels are denominated mainly in U.S. dollars, whereas our purchases of raw materials are denominated mainly in U.S. dollars and Japanese Yen. Seeking to achieve stable management, we take every precaution in our foreign currency risk management to minimize the risk of foreign currency fluctuations on our foreign currency denominated assets and liabilities.

### B. Risk management

As the average selling prices of TFT-LCD and OLED panels can continue to decline over time irrespective of industry-wide cyclical fluctuations, we may find it hard to manage risks associated with certain factors that are outside our control. However, we counteract such declines in average selling prices by increasing the proportion of high value added panels in our product mix while also implementing various cost reduction measures. In addition, in order to manage our risk against foreign currency fluctuations, we continually monitor our currency position and risk, and when needed, we may from time to time enter into cross-currency interest rate swap contracts and foreign currency forward contracts. As of June 30, 2015, we had not entered into any such contract for currency related derivative

products.

**Table of Contents****7. Derivative Contracts****A. Currency risks**

We are exposed to currency risks on sales, purchases and borrowings that are denominated in currencies other than in Won, our functional currency. These currencies are primarily the U.S. dollar, the Japanese Yen and the Chinese Yuan.

Interest on borrowings is denominated in the currency of the borrowing. Generally, borrowings are denominated in currencies that match the cash flows generated by our underlying operations, primarily in Won and the U.S. dollar.

In respect of other monetary assets and liabilities denominated in foreign currencies, we ensure that our net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, when necessary, to address short-term imbalances.

**B. Interest rate risks**

Our exposure to interest rate risks relates primarily to our floating rate long term loan obligations. We have established and are managing interest rate risk policies to minimize uncertainty and costs associated with interest rate fluctuations by monitoring cyclical interest rate fluctuations and enacting countermeasures.

**8. Major contracts**

Our material contracts, other than contracts entered into in the ordinary course of business, are set forth below:

Type of agreement	Name of party	Term	Content
Technology licensing agreement	Semiconductor Energy Laboratory	October 2005 ~	Patent licensing of LCD and OLED related technology
	Hewlett-Packard	January 2011 ~	Patent licensing of semi-conductor device technology
Technology licensing/supply agreement	HannStar Display Corporation	December 2013 ~	Patent cross-licensing of LCD technology
	AU Optronics Corporation	August 2011~	Patent cross-licensing of LCD technology
	Innolux Corporation	July 2012 ~	Patent cross-licensing of LCD technology, etc.

## 9. Research & Development

### A. Summary of R&D-related expenditures

Items	(Unit: In millions of Won, except percentages)			
	2015 H1	2014	2013	
Material Cost	269,092	762,008	586,901	
Labor Cost	327,133	542,857	500,705	
Depreciation Expense	128,270	249,306	319,854	
Others	95,149	233,422	267,320	
<b>Total R&amp;D-Related Expenditures</b>	<b>819,644</b>	<b>1,787,593</b>	<b>1,674,780</b>	
Accounting Treatment <sup>(1)</sup>	Selling & Administrative Expenses	598,309	1,164,294	1,095,727
	Manufacturing Cost	123,695	356,218	456,818
	Development Cost			
	(Intangible Assets)	97,640	267,081	122,235
<b>R&amp;D-Related Expenditures / Revenue Ratio (Total R&amp;D-Related Expenditures ÷ Revenue for the period × 100)</b>	<b>6.0%</b>	<b>6.8%</b>	<b>6.2%</b>	

(1) For accounting purposes, R&D-related expenditures are recognized in accordance with our financial statements.



**Table of Contents**

B. R&D achievements  
*Achievements in 2013*

- (1) Developed 19.5-inch desktop monitor product

Developed new display panel size for desktop monitor products

Increased yield of glass panel area per glass substrate by cutting glass substrates at 19.5 inches

- (2) Developed 11.6-inch Tab Book product applying GF2 touch technology

Applied GF2 direct bonding process

- (3) Developed 5.0-inch and 5.5-inch high resolution (over 400 PPI) smartphone products applying AH-IPS technology

Luminance increased by 10% compared to conventional panels (5.0-inch FHD panel has 403 PPI and 5.5-inch FHD panel has 440 PPI)

Developed new source D-IC to drive 4 lanes of MIPI with speeds of up to 1 Gbps per lane

- (4) Developed the world's first 60-inch three-side borderless product

Made possible by removing the forward-facing case top, resulting in zero bezel on three sides with a borderless like bottom design

- (5) Developed the world's first 47-inch and 55-inch FHD TV product with 2.3 mm narrow bezels

Achieved optimal slim design by minimizing bezel width to 2.3 mm

- (6) Developed 55-inch and 65-inch Ultra HD products with narrow bezels

Ultra HD (55-inch model has 80 PPI and 65-inch model has 68 PPI)

Achieved high transmittance panel by applying 1 Gate 1 Data structure

Achieved narrow bezels (55-inch model has 6.9 mm and 65-inch has 7.5 mm) by optimizing panel and mechanical design

- (7) Developed 42-inch, 47-inch and 55-inch FHD three-side borderless products with direct backlight units

Borderless design made possible by removing the forward-facing case top, resulting in zero bezel on three sides

- (8) Developed 5-inch HD smartphone product utilizing oxide cell technology

Reduced energy consumption and achieved narrower bezels by using indium gallium zinc oxide (IGZO) cell technology (energy consumption reduced by 26.7% and bezel size reduced by 23.0% compared to products utilizing conventional silicon (a-Si) cell technology)

- (9) Developed FHD a-Si AH-IPS technology for use in smartphone products (more than 400 PPI)

Improved structure and technology compared to conventional FHD panels (luminance increased by 30%, achieved 443 PPI in 5.0-inch FHD panel)

Developed new D-IC and IC bonding materials and processes

- (10) Developed new line of 19.5-inch HD+ monitor products with IPS technology

Developed new line of display panels for desktop monitor products

Increased yield of glass panel area per glass substrate by cutting glass substrates at 19.5 inches

- (11) Developed 19.5-inch HD+ ultra-light monitor product

The world's lightest (at the time) 19.5-inch HD+ IPS monitor product with slim concept design

Reduced weight by 55% from 1520g to 830g and thickness from 7.6t to 5.4t compared to a conventional 19.5-inch HD+ IPS monitor product

(12) Developed the world's first borderless monitor product with 3.5 mm narrow bezel (23.8-inch FHD)

Developed 23.8-inch FHD Neo Blade1 monitor product with the world's narrowest (at the time) bezel (3.5 mm)

**Table of Contents**

- (13) Introduced 9.2-inch WXGA high resolution / high luminance automotive display product

The first automotive display product to apply EPI interface (800Mbps high speed transmission with Real 8it)

High luminance (800 nit) and high color gamut (70%)

Developed T-con with improved reliability and resolution

- (14) Developed 49-inch FHD four sided borderless like product

Achieved narrow borders by applying 4.9 mm GIP technology and developed a new PSJ mechanical structure

Developed new resin technology to apply to the bottom base decoration

- (15) Developed 55-inch FHD wide color gamut ( WCG ) LCM product

Achieved life like colors with WCG by combining panel and optical technologies

Developed differentiated case top set design

- (16) Developed our first 60-inch FHD product

Achieved narrow panel bezel size (7.8 mm)

New size in our product lineup

- (17) Developed the world's first 23.8-inch Ultra HD monitor product

The world's first Ultra HD AH-IPS monitor product (23.8-inch Ultra HD: 185 ppi)

Applied PAC panel technology and developed Ultra HD T-con/D-IC driver

Developed high luminance dual LED array structure

(18) Expanded product lineup of 21:9 screen aspect ratio monitors

Expanded product lineup of 21:9 screen aspect ratio monitors to include 25-inch, 29-inch and 34-inch monitors

Borderless on three sides by removing case top

(19) Developed the world's first 13.3-inch FHD notebook model with 1.9 mm narrow bezel

Development slim notebook design by utilizing panel GLA structure and minimizing bezel size to 1.9 mm

Achieved slim (3.0 mm) and ultra-light (230 g) LCM by utilizing 0.25 mm glass PPP LGP technology

(20) Developed our first quad HD ( QHD ) notebook model (13.3-inch, 222 ppi / 14.0-inch / 210 ppi)

Increased transmittance rate by utilizing 3<sup>rd</sup> metal, coop CS, red eye 12 um technology and improving aperture ratio

Achieved slim (2.6 mm) and ultra-light (235 g) LCM by utilizing 0.3 mm glass PPP LGP technology

(21) Introduced product applying PPP LGP to maximize light collimation

Developed PPP technology for light collimation (improved luminance by 44% compared to conventional panels) for a more energy efficient panel model

Used 2 sheet structure to reduce thickness

(22) Developed 12.3-inch FHD full cluster automotive product

The world's first full cluster product to apply IPS technology

Ultra-high luminance (800 nit) and high color gamut (85%). High color PR and developed RG LED for high light collimation

Applied the highest resolution (1920 x 720), at the time, for clusters

(23) Developed 5.5-inch QHD LTPS smartphone panel applying AH-IPS technology with the worlds highest resolution, at the time, for smartphone panels (more than 500 ppi)

Designed and developed QHD, the world s highest resolution, at the time, for smartphone panels (538 ppi)

The world s first QHD module applying 1 chip D-IC driver

**Table of Contents**

*Achievements in 2014*

- (1) Developed the world's first green plus structure television panel products (42-inch, 49-inch and 55-inch Ultra HD)

Added white pixels to increase transmittance by 55% compared to conventional display panels

Developed energy conservation technology for Ultra HD products

- (2) Developed the world's narrowest, at the time, bezel (BtB 3.5 mm) videowall product (55-inch FHD)

The world's narrowest, at the time, bezel (BtB 3.5 mm) videowall product

Reduced panel PAD parts and minimized bezel size

- (3) Developed our first 79-inch Ultra HD product

New size in our product lineup

Achieved narrow bezel (On 9.9 mm) and slim depth (13.9 mm)

- (4) Developed the world's first 4 sided borderless like product (49-inch, 55-inch and 60-inch FHD)

Removed front case top and narrowed gap between the panel and front deco cabinet (set side reduced from 2.0 mm to 0.5 mm)

- (5) Developed the world's first a-Si AF-IPS 5Mask panel product for smartphones (5.0 WVGA)

Reduced production cost and simplified manufacturing process by reducing the number of mask steps from 6 to 5

Same level of performance as 6Mask panels

- (6) Developed the world's first LTPS AH-IPS photo alignment and negative LC panel product for smartphones (5.0-inch FHD)

LTPS AH-IPS photo alignment and negative LC panel product for smartphones developed in March 2014

Improved luminance and contrast ratio through improvement in panel transmittance (450 nit to 515 nit; 1,000:1 to 1500:1).

- (7) Developed the world's first 23.8-inch FHD ultra slim and light monitor product

Achieved ultra-light design (reduced LCM weight from 2,270g to 1,280g compared to conventional LCMs)

Achieved ultra slim design by using slim component parts (7.6t reduced to 5.5t)

- (8) Developed LTPS AH-IPS QHD smartphone product (5.5-inch QHD, 538 ppi, LG Electronics G3 model smartphone)

LTPS AH-IPS QHD smartphone product developed in April 2014

Width of panel bezel: 0.95 mm (L/R); luminance: 500 nit; G1F Touch Direct Bonded LCM

- (9) Developed our first curved Ultra HD product (65-inch and 55-inch Ultra HD)

The curved LCM retains the same panel transmissivity as a conventional flat LCM through application of BM-less COT structure with a double pigment lamination

Realized curved LCM technology by applying Frame (Horizontal / Vertical / Center) Structure and Curved C/T & Guide Panel Technologies

- (10) Developed the world's first 6-inch plastic OLED product

Developed the world's first curved display with a curvature radius ( R ) of 700

Precursor to the development of future bendable, foldable and rollable display products

- (11) Developed the world's first 34-inch curved monitor product (3,800R)



Launched the world's first blade type 21:9 screen aspect ratio 34-inch wide QHD 3,800R curved monitor product and created a new market and standard for curved monitor products

Achieved curvature of 3,800R by using annealing process and setting up assembly equipment utilizing 0.4t glass for curved panels and pol edge type curved backlight

(12) Developed the world's first AH-IPS FHD GIP/DRD product (15.6-inch notebook product)

The world's first AH-IPS FHD (more than 142 ppi) GIP/DRD product developed in September 2014

Increased cost competitiveness by developing GIP/DRD technology

**Table of Contents**

- (13) Developed the world's first Advanced In-cell Touch LTPS smartphone product (4.5-inch HD product)

Completed development of an AH-IPS LTPS product applying LG Display's own in-cell touch technology, which utilizes the AH-IPS Vcom electrodes in an all point sensing self-capacitive manner in July 2014 (450 nit luminance; L/R panel bezel of 1.00 mm; module thickness of 2.28 mm)

Simplified SCM and provided a cost competitive and differentiated valued product with touch functionality

- (14) Developed the world's first Advanced In-cell Touch a-Si smartphone product (4.5-inch WVGA product)

Completed development of an AH-IPS a-Si product applying LG Display's own in-cell touch technology, which utilizes the AH-IPS Vcom electrodes in an all point sensing self-capacitive manner in August 2014 (450 nit luminance; L/R panel bezel of 1.35 mm; module thickness of 2.6 mm)

Simplified SCM and provided a cost competitive and differentiated valued product with touch functionality

- (15) Developed the world's first Ultra HD+ curved (6,000R) product (105-inch Ultra HD)

The world's first large 105-inch 21:9 screen aspect ratio Ultra HD curved (6,000R) display product

- (16) Developed our first 98-inch Ultra HD product

Our new line of 98-inch Ultra HD products

Achieved ultra-high definition through utilizing the direct BLU local dimming and FCIC circuit compensation algorithm.

- (17) Developed four sided product with even bezels (5.9 mm) for commercial use (42-inch, 49-inch and 55-inch FHD product)

Developed our first 4 sided even bezel product (off bezel: 5.9 mm)

Reduced panel PAD and lower bezel thickness

Improved PAC transmittance and after image reliability

(18) Developed our first 60-inch Ultra HD product

Our new line of 60-inch Ultra HD products

Achieved narrow panel bezel of 7.8 mm

(19) Developed the world's first circular plastic OLED product (1.3 F)

Developed the world's first circular plastic OLED product in September 2014

Developed ultrathin display module of 559 um (without cover window)

Lowered power consumption by developing Power Save Mode algorithm

Display can be turned on without powering the P-IC

(20) Developed the world's first four sided borderless OLED television product (55-inch)

Product developed using the world's first four sided borderless technology utilizing reverse tab bonding manufacturing process in September 2014

(21) Developed the world's first ultra-slim OLED television products (49-inch, 55-inch and 65-inch Ultra HD)

Achieved LCM thickness of 7.5 mm

Reduced thickness by combining exterior set with LCM parts (B/cover, M/cabinet)

(22) Developed the world's first 1:1 screen aspect ratio New Platform Monitor (26.5-inch; 1920 x 1920 resolution)

Creation of new market through the development of new 1:1 screen aspect ratio platform display

Development of high resolution display with four sided even bezels (on bezel: 8 mm)

(23) Development of 14-inch FHD notebook product with three sided even bezels (3.9 mm)

World's first notebook panel with three sided narrow bezels (top and side bezels: 3.9 mm)

Reduced GIP area by 50% compared to conventional GIP area

(24) Development of 12.3-inch new display size UXGA tablet product

Developed new display panel size for tablet products: 12.3-inch UXGA (4:3 screen aspect ratio)

Increased yield of glass panel area per glass substrate by cutting glass substrates at 12.3 inches

**Table of Contents**

*Achievements in 2015*

- (1) Developed the world's narrowest, at the time, module bezel (0.7mm) LTPS smartphone display (5.3-inch FHD AIT)

Developed the world's first FHD Advanced In-cell Touch display (LTPS 5.3-inch FHD) applying the Neo Edge module process (new manufacturing technology) in January 2015

Set-up glue & laser cutting process, 0.6mm panel bezel (L/R)

- (2) Developed the world's first QHD Advanced In-cell Touch (AIT) LTPS smartphone display (5.5-inch QHD)

Developed LTPS 5.5-inch QHD display applying LG Display's new capacitive type in-cell touch technology with all points sensing in March 2015; luminance: 500nit, contrast ratio: 1500:1 (using photo alignment & negative LC), 0.95mm panel bezel (L/R)

Delivered differentiated value proposition based on touch performance, simplified SCM process and competitive cost innovation

- (3) Developed the world's narrowest, at the time, bezel videowall product (49-inch FHD)

Developed the world's narrowest bezel videowall product (bezel to bezel 3.5mm)

Optimized sizing of panel PAD and mechanical bezel

- (4) Developed our first 43-inch Ultra HD slim and light LED television

Achieved LCD module thickness of 8.4mm

Reduced thickness through publication of set LCM parts (back cover and middle cabinet)

- (5) Developed the world's first Ultra HD OLED television (55-inch and 65-inch Ultra HD)

Developed the world's first Ultra HD television product lineup

## **10. Intellectual Property**

As of June 30, 2015, our cumulative patent portfolio (including patents that have already expired) included a total of 27,472 patents, consisting of 13,487 in Korea and 13,985 in other countries.

## **11. Environmental and Safety Matters**

We are subject to a variety of environmental laws and regulations, and we may be subject to fines or restrictions that could cause our operations to be interrupted. Our manufacturing processes generate worksite waste, including water and air pollutants, at various stages in the manufacturing process, and we are subject to relevant laws and regulations in each area of the environment, including with respect to the treatment of chemical by-products. We have installed various types of anti-pollution equipment, consistent with environmental standards, for the treatment of chemical waste and equipment for the recycling of treated waste water at our various facilities. However, we cannot provide assurance that environmental claims will not be brought against us or that the local or national governments will not take steps toward adopting more stringent environmental standards. Any failure on our part to comply with any present or future environmental regulations could result in the assessment of damages or imposition of fines against us, suspension of production or a cessation of operations. In addition, environmental regulations could require us to acquire costly equipment or to incur other significant compliance expenses that may materially and negatively affect our financial condition and results of operations.

In accordance with the Framework Act on Low Carbon, Green Growth, we implemented the greenhouse gas emission and energy consumption target system from 2012 to 2014. Starting from 2015, we plan on implementing the greenhouse gas trading system, under which we will be responsible to meet our emission targets based on the emission credits allocated to us by the Ministry of Environment of the Korean government. As a result, we may need to invest in additional equipment and there may be other costs associated with meeting reduction targets, which may have a negative effect on our profitability or production activities. As a designated company subject to greenhouse gas emission targets under the Framework Act on Low Carbon, Green Growth, if we fail to meet a reduction target and are unable to comply with the government's subsequent enforcement notice relating to such failure, we may be subject to fines. Furthermore, as a designated company subject to the Act on Allocation and Trading of Greenhouse Gas Emissions, if do not have enough emission credits, we may be required to purchase additional credits or be subject to fines.

**Table of Contents**

In connection with the greenhouse gas emission and energy reduction target system, we submitted a statement of our domestic emissions and energy usage for the 2013 to the Korean government (i.e., the Ministry of Environment and the Ministry of Trade, Industry & Energy) in March 2014 after it was certified by Lloyd's Register Quality Assurance, a government-designated certification agency. The table below sets forth yearly levels of our greenhouse gases emissions and energy usage in the statement submitted to the Korean government:

Category	(Unit: thousand tonnes of CO <sub>2</sub> equivalent; Tetra Joules)		
	2014	2013	2012
Greenhouse gases	7,537	6,922	6,161
Energy	60,002	61,092	61,169

Operations at our manufacturing plants are subject to regulation and periodic scheduled and unscheduled on-site inspections by the Ministry of Environment and local environmental protection authorities. We believe that we have adopted adequate anti-pollution measures and have minimized our impact on the environment by improving existing and developing new technologies for the effective maintenance of environmental protection standards consistent with local industry practice. In addition, we have continually monitored, and we believe that we are in compliance in all material respects with, the applicable environmental laws and regulations in Korea. Expenditures related to such compliance may be substantial. Such expenditures are generally included in capital expenditures. As required by Korean law, we employ licensed environmental specialists to manage our water and air pollution, toxic materials and waste. In December 2013, to ensure safe water quality and reduce costs, we entered into a contract with a specialist company to operate our waste water treatment facilities. In stages beginning in November 1997, we have obtained environmental management system ISO 14001 certifications for our domestic panel and module production facilities and our overseas module production plants in Nanjing, Yantai and Guangzhou, China, and with respect to our domestic panel and module production plants, we received ISO 50001 certification in December 2013 for our energy management system.

In addition, in August 2014, GP1, our newest eighth-generation panel fabrication facility located in Guangzhou, China, was the first electronics plant in China to receive the Green Plant designation under China's Green China Policy, in addition to receiving ISO 14001, ISO 50001, OHSAS 18001, ISO 9001, PAS 2050 and ISO 14064-1 certifications. Furthermore, with respect to our production facilities in Gumi, we have been certified by the Ministry of Environment as a Green Company for P1 and our Gumi module production plant since 1997, P2 and P3 since 2006 and P4, P5 and P6 since 2008. Also, we received certification to self-inspect designated waste products with respect to our Paju plant by the Ministry of Environment in 2011, which was recertified in 2013. In addition, in recognition of our efforts to reduce greenhouse gas emissions, we were awarded a commendation from the Minister of Environment in the efforts against climate change category in the 2013 Green Management Awards, which was jointly hosted by the Ministry of Environment and the Ministry of Trade, Industry & Energy. In recognition of our efforts to improve recycling and reduce waste, we received a citation for being a leading recycling company by the Prime Minister of Korea.

We also have an internal monitoring system to control the use of hazardous substances in the manufacture of our products as we are committed to compliance with all applicable environmental laws and regulations, including European Union Restriction of Hazardous Substances (RoHS) Directive 2011/65/EU, and restricts the use of certain hazardous substances in the manufacture of electrical and electronic equipment.

In addition, as part of our commitment to use environment-friendly raw materials, we have implemented a green purchasing system that prevents the introduction of hazardous materials at the purchasing stage. The green purchasing system has been a key component in our efforts to comply with RoHS and other applicable environmental laws and

regulation.

In October 2005, we became the first display panel company to receive accreditation as an International Accredited Testing Laboratory by the Korea Laboratory Accreditation Scheme, which is operated by the Korean Ministry of Trade, Industry & Energy. In September 2006, we received international accreditation from TUV SUD, EU's German accreditation agency, as a RoHS testing laboratory. Our efforts to keep pace with the increasingly stringent accreditation standards and to receive and maintain such accreditations are part of our on-going efforts to systematically monitor environmentally controlled substances in our component parts inventory. Moreover, we participated in reforming IEC 62321, an international testing standard published by the International Electrotechnical Commission and used by RoHS, and the commission adopted our halogen-free combustion ion chromatography method in as IEC 62321-3-2, which was published in June 2013.

In February 2015, we were issued a corrective order and assessed a fine of ₩276 million, which we subsequently followed and paid, respectively, for violating the Occupational Health and Safety Act in connection with an accidental nitrogen gas exposure at one of our production facilities in Paju, Korea in January 2015. To prevent such accidents happening again in the future, we have strengthened our safety standards and management and employee education.



**Table of Contents****12. Financial Information**

## A. Financial highlights (Based on consolidated K-IFRS)

(Unit: In millions of Won)

Description	As of June 30, 2015	As of December 31, 2014	As of December 31, 2013
Current assets	9,277,974	9,240,629	7,731,788
Quick assets	6,699,206	6,486,531	5,798,547
Inventories	2,578,768	2,754,098	1,933,241
Non-current assets	13,176,831	13,726,394	13,983,496
Investments in equity accounted investees	353,490	407,644	406,536
Property, plant and equipment, net	10,846,187	11,402,866	11,808,334
Intangible assets	706,200	576,670	468,185
Other non-current assets	1,270,954	1,339,214	1,300,441
<b>Total assets</b>	<b>22,454,805</b>	<b>22,967,023</b>	<b>21,715,284</b>
Current liabilities	6,448,977	7,549,556	6,788,919
Non-current liabilities	3,371,812	3,634,057	4,128,945
<b>Total liabilities</b>	<b>9,820,789</b>	<b>11,183,613</b>	<b>10,917,864</b>
Share capital	1,789,079	1,789,079	1,789,079
Share premium	2,251,113	2,251,113	2,251,113
Reserves	15,819	(63,843)	(91,674)
Retained earnings	8,067,004	7,455,063	6,662,655
Non-controlling interest	511,001	351,998	186,247
<b>Total equity</b>	<b>12,634,016</b>	<b>11,783,410</b>	<b>10,797,420</b>

(Unit: In millions of Won, except for per share data and number of consolidated entities)

Description	For the six months ended June 30, 2015	For the year	For the year
		ended December 31, 2014	ended December 31, 2013
Revenue	13,729,934	26,455,529	27,033,035
Operating profit	1,232,008	1,357,255	1,163,314
Operating profit from continuing operations	838,327	917,404	418,973
Profit for the period	838,327	917,404	418,973
Profit (loss) attributable to:			
Owners of the Company	793,220	904,268	426,118
Non-controlling interest	45,107	13,136	(7,145)
Basic earnings per share	2,217	2,527	1,191

Edgar Filing: LG Display Co., Ltd. - Form 6-K

Diluted earnings per share	2,217	2,527	1,191
Number of consolidated entities	20	18	18

20

**Table of Contents**

## B. Financial highlights (Based on separate K-IFRS)

Description	(Unit: In millions of Won)		
	As of June 30, 2015	As of December 31, 2014	As of December 31, 2013
Current assets	7,496,496	8,291,088	6,877,367
Quick assets	5,451,139	6,244,413	5,290,725
Inventories	2,045,357	2,046,675	1,586,642
Non-current assets	12,273,036	12,720,749	13,767,226
Investments	2,577,979	2,301,881	1,820,806
Property, plant and equipment, net	8,114,027	8,700,301	10,294,740
Intangible assets	479,626	548,078	461,620
Other non-current assets	1,101,404	1,170,489	1,190,060
<b>Total assets</b>	<b>19,769,532</b>	<b>21,011,837</b>	<b>20,644,593</b>
Current liabilities	6,299,286	7,550,330	6,754,175
Non-current liabilities	2,523,552	2,837,432	4,127,993
<b>Total liabilities</b>	<b>8,822,838</b>	<b>10,387,762</b>	<b>10,882,168</b>
Share capital	1,789,079	1,789,079	1,789,079
Share premium	2,251,113	2,251,113	2,251,113
Reserves	299	276	(305)
Retained earnings	6,906,203	6,583,607	5,722,538
<b>Total equity</b>	<b>10,946,694</b>	<b>10,624,075</b>	<b>9,762,425</b>

Description	(Unit: In millions of Won, except for per share data)		
	For the six months ended	For the year ended	For the year ended
	June 30, 2015	December 31, 2014	December 31, 2013
Revenue	12,405,120	25,383,670	25,854,183
Operating profit	743,180	984,790	753,550
Operating profit from continuing operations	503,277	973,118	99,672
Profit for the period	503,277	973,118	99,672
Basic earnings per share	1,407	2,720	279
Diluted earnings per share	1,407	2,720	279

## C. Consolidated subsidiaries (as of June 30, 2015)

Company Interest	Primary Business	Location	Equity
LG Display America, Inc.	Sales	U.S.A.	100%

Edgar Filing: LG Display Co., Ltd. - Form 6-K

LG Display Germany GmbH	Sales	Germany	100%
LG Display Japan Co., Ltd.	Sales	Japan	100%
LG Display Taiwan Co., Ltd.	Sales	Taiwan	100%
LG Display Nanjing Co., Ltd.	Manufacturing and sales	China	100%
LG Display Shanghai Co., Ltd.	Sales	China	100%
LG Display Poland Sp. zo.o.	Manufacturing and sales	Poland	100%
LG Display Guangzhou Co., Ltd.	Manufacturing and sales	China	100%
LG Display Shenzhen Co., Ltd.	Sales	China	100%
LG Display Singapore Pte. Ltd.	Sales	Singapore	100%
L&T Display Technology (Xiamen) Limited	Manufacturing	China	51%
L&T Display Technology (Fujian) Limited	Manufacturing	China	51%
LG Display Yantai Co., Ltd.	Manufacturing and sales	China	100%
LG Display (China) Co., Ltd.	Manufacturing and sales	China	70%
LG Display U.S.A. Inc.	Manufacturing and sales	U.S.A.	100%
Nanumnuri Co., Ltd.	Workplace services	Korea	100%
Unified Innovative Technology, LLC	Managing intellectual property	U.S.A.	100%
Global OLED Technology LLC	Managing intellectual property	U.S.A.	100%
LG Display Guangzhou Trading Co., Ltd.	Sales	China	100%
MMT (Money Market Trust)	Money market trust	Korea	100%

**Table of Contents**

## D. Status of equity investments (as of June 30, 2015)

Company	Investment Amount	Investment Date	Initial Equity	Equity Interest
LG Display America, Inc.	US\$ 411,000,000	September 24, 1999		100%
LG Display Germany GmbH	EUR 960,000	November 5, 1999		100%
LG Display Japan Co., Ltd.	¥ 95,000,000	October 12, 1999		100%
LG Display Taiwan Co., Ltd.	NT\$ 115,500,000	May 19, 2000		100%
LG Display Nanjing Co., Ltd.	CNY 2,936,759,345	July 15, 2002		100%
LG Display Shanghai Co., Ltd.	CNY 4,138,650	January 16, 2003		100%
LG Display Poland Sp. zo.o.	PLN 511,071,000	September 6, 2005		100%
LG Display Guangzhou Co., Ltd.	CNY 1,654,693,079	August 7, 2006		100%
LG Display Shenzhen Co., Ltd.	CNY 3,775,250	August 28, 2007		100%
LG Display Singapore Pte. Ltd.	SGD 1,400,000	January 12, 2009		100%
L&T Display Technology (Xiamen) Limited	CNY 41,785,824	January 5, 2010		51%
L&T Display Technology (Fujian) Limited	CNY 59,197,026	January 5, 2010		51%
LG Display Yantai Co., Ltd.	CNY 955,915,000	April 19, 2010		100%
LG Display U.S.A. Inc.	US\$ 10,920,000	December 8, 2011		100%
Nanumnuri Co., Ltd.	₩ 800,000,000	March 19, 2012		100%
LG Display (China) Co., Ltd. <sup>(1)</sup>	CNY 5,668,466,124	December 27, 2012		70%
Unified Innovative Technology, LLC	US\$ 9,000,000	March 21, 2014		100%
Global OLED Technology LLC <sup>(2)</sup>	US\$ 152,767,000	May 7, 2015		100%
LG Display Guangzhou Trading Co., Ltd. <sup>(3)</sup>	CNY 1,223,960	May 27, 2015		100%
MMT (Money Market Trust)	₩ 27,800,000,000	June 11, 2007		100%
Suzhou Raken Technology Co., Ltd.	CNY 637,079,715	October 7, 2008		51%
Paju Electric Glass Co., Ltd.	₩ 33,648,000,000	March 25, 2005		40%
TLI Co., Ltd.	₩ 14,073,806,250	May 16, 2008		10%
AVACO Co., Ltd.	₩ 6,172,728,120	June 9, 2008		16%
New Optics Ltd.	₩ 12,199,600,000	July 30, 2008		46%
LIG Invenia Co., Ltd. (formerly LIG ADP Co., Ltd.)	₩ 6,330,000,000	February 24, 2009		13%
Wooree E&L Co., Ltd. (formerly Wooree LED Co., Ltd.)	₩ 11,900,000,000	May 22, 2009		21%
LB Gemini New Growth Fund No. 16 <sup>(4)</sup>	₩ 11,934,704,518	December 7, 2009		31%
Can Yang Investment Ltd.	CNY 93,740,124	January 27, 2010		9%
YAS Co., Ltd.	₩ 10,000,000,000	September 16, 2010		19%
Narae Nanotech Corporation	₩ 30,000,000,000	April 22, 2011		23%
Avatec Co., Ltd.	₩ 10,600,000,000	December 6, 2011		16%
Glonix Co., Ltd.	₩ 2,000,000,000	April 10, 2012		20%

Changes since December 31, 2014:

(1)

- In January 2015, we invested CNY1,414 million in cash for the capital increase of LG Display (China) Co., Ltd. The investment did not affect our percentage interest.
- (2) In May 2015, we invested US\$103 million to acquire an additional 67% interest in Global OLED Technology LLC in order to strengthen our intellectual property portfolio for our OLED business. Our shareholding in Global OLED Technology LLC as of June 30, 2015 was 100%.
  - (3) In April 2015, we founded LG Display Guangzhou Trading Co. Ltd. in Guangzhou, China in order to better support our customers in the Guangzhou region. Our shareholding in such company is 100%.
  - (4) In March 2015, we invested ₩360 million in LB Gemini New Growth Fund No. 16, and in April 2015, we divested ₩2,490 million. The investment and divestment did not affect our percentage interest.

**Table of Contents****13. Audit Information**

## A. Audit service

Description	(Unit: In millions of Won, hours)		
	2015	2014	2013
Auditor	KPMG Samjong	KPMG Samjong	KPMG Samjong
Activity	Audit by independent auditor	Audit by independent auditor	Audit by independent auditor
Compensation <sup>(1)</sup>	990 (400) <sup>(2)</sup>	910 (326) <sup>(2)</sup>	910 (325) <sup>(2)</sup>
Time required	6,226	16,380	16,202

(1) Compensation amount is the contracted amount for the full fiscal year.

(2) Compensation amount in ( ) is for Form 20-F filing and SOX 404 audit.

## B. Non-audit service

(Unit: In millions of Won)				
Fiscal year	Contract date	Service description	Service period	Compensation
2013	July 29, 2013	Advisory services in establishing a compliance system in connection with our disclosure obligations under the U.S. Securities and Exchange Commission's conflict mineral rule.	July 2013 to October 2013	126

**14. Board of Directors**

## A. Members of the board of directors

As of June 30, 2015 our board of directors consist of two non-outside directors, one non-standing director and four outside directors.

(As of June 30, 2015)		
Name	Position	Primary responsibility
Yu Sig Kang <sup>(1)</sup>	Director (non-standing)	Chairman of the board of directors
Sang Beom Han <sup>(2)</sup>	Representative Director (non-outside), Chief Executive Officer and President	Overall head of management

Edgar Filing: LG Display Co., Ltd. - Form 6-K

Sangdon Kim	Director (non-outside), Chief Financial Officer and Senior Vice President	Overall head of finances
Jin Jang	Outside Director	Related to the overall management
Dongil Kwon <sup>(3)</sup>	Outside Director	Related to the overall management
Joon Park	Outside Director	Related to the overall management
Sung-Sik Hwang <sup>(4)</sup>	Outside Director	Related to the overall management

- (1) Yu Sig Kang is also a registered executive of LG Electronics.
- (2) Sang Beom Han was reappointed for another term as a non-outside director at the annual general meeting of shareholders held on March 13, 2015.
- (3) Dongil Kwon was reappointed for another term as a non-outside director at the annual general meeting of shareholders held on March 13, 2015.
- (4) Sung-Sik Hwang was appointed as an outside director by the courts on January 22, 2015. Mr. Hwang was reappointed for a full term at the annual general meeting of shareholders held on March 13, 2015.

Tae Sik Ahn stepped down as an outside director on January 15, 2015 before the end of his term.



**Table of Contents****B. Committees of the board of directors**

As of June 30, 2015, we have the following committees that serve under our board of directors: Audit Committee, Outside Director Nomination Committee and Management Committee.

			(As of June 30, 2015)
Committee	Composition	Member	
Audit Committee	3 outside directors	Joon Park, Jin Jang, Sung-Sik Hwang <sup>(1)</sup>	
Outside Director Nomination Committee	1 non-standing director and 2 outside directors	Yu Sig Kang, Jin Jang <sup>(2)</sup> , Joon Park <sup>(2)</sup>	
Management Committee	2 non-outside directors	Sang Beom Han, Sangdon Kim	

- (1) Sung-Sik Hwang was appointed as member of the audit committee of the board of directors by the courts on January 22, 2015. Mr. Hwang was reappointed for a full term at the annual general meeting of shareholders held on March 13, 2015.
- (2) Jin Jang and Joon Park were appointed as members of the outside director nomination committee of the board of directors by the board of directors on January 27, 2015.

Tae Sik Ahn stepped down as a member of the audit committee and the outside director nomination committee of the board of directors on January 15, 2015 before the end of his term.

**C. Independence of directors**

Directors are appointed in accordance with the procedures of the Commercial Act and other relevant laws and regulations. Our board of directors is independent as four out of the seven directors that comprise the board are outside directors. Outside directors candidates are nominated for appointment at a shareholders meeting after undergoing rigorous review by the Outside Director Nomination Committee.

All of our current outside directors were nominated by the Outside Director Nomination Committee, and all of our current non-outside directors were nominated by the board of directors.

**15. Information Regarding Shares****A. Total number of shares**

- (1) Total number of shares authorized to be issued (as of June 30, 2015): 500,000,000 shares.
- (2) Total shares issued and outstanding (as of June 30, 2015): 357,815,700 shares.

B. Shareholder list

(1) Largest shareholder and related parties as of June 30, 2015:

Name	Relationship	Number of shares of common stock	Equity interest
LG Electronics	Largest Shareholder	135,625,000	37.9%
Sang Beom Han	Related Party	13,014	0.0%
Sangdon Kim	Related Party	1,500	0.0%

**Table of Contents**

(2) Shareholders who are known to us to own 5% or more of our shares as of June 30, 2015:

Beneficial owner	Number of shares of common stock	Equity interest
LG Electronics	135,625,000	37.9%
National Pension Service	29,071,950	8.12%

**16. Directors and Employees**

## A. Directors

(1) Remuneration for directors in 2015 H1

Classification	No. of directors <sup>(1)</sup>	(Unit: person, in millions of Won)	
		Amount paid <sup>(2)</sup>	Per capita average remuneration paid <sup>(4)</sup>
Non-outside directors	3	1,806 <sup>(3)</sup>	602
Outside directors who are not audit committee members	1	37	37
Outside directors who are audit committee members	3	117	39
Total	7	1,960	

(1) Number of directors as at June 30, 2015.

(2) Amount paid is calculated on the basis of amount of cash actually paid.

(3) Among the non-outside directors, Yu Sig Kang does not receive any remuneration.

(4) Per capita average remuneration paid is calculated by dividing total amount paid by the average number of directors for the six months ended June 30, 2015.

(2) Remuneration for individual directors and audit committee members

Individual amount of remuneration paid in 2015 H1

Name	Position	Total remuneration	(Unit: in millions of Won)
			Payment not included in total remuneration
Sang Beom Han	President	1,409	

Method of calculation

Name  
Sang Beom Han

Method of calculation

Total remuneration

₩1,409 million (consisting of ₩569 million in salary and ₩840 million in bonus).

Salary

Annual salary is set in accordance with the executive compensation regulations established by the board of directors.

Annual salary is equally divided and paid on a monthly basis.

Bonus

Bonus is awarded by the board of directors based on performance and evaluation standards derived from the special bonus provisions of the executive compensation regulations.

Bonus in the range of 0 to 150% of annual salary may be awarded by evaluating the previous year's performance through certain financial indicators, such as revenue and operating profit, and non-financial indicators, such as meeting our medium- to long-term expectations, leadership and other contributions.

**Table of Contents**

Financial indicators: For the year ended December 31, 2014, revenue was ₩26,456 billion and operating profit was ₩1,357 billion, which was a 17% improvement compared to the previous year's operating profit.

Non-financial indicators: We maintained industry-leading technology through the continual release of differentiated technologies and products while improving profit margins and market position and Mr. Han showed leadership in leading us.

(3) Stock options  
Not applicable.

**B. Employees**

As of June 30, 2015, we had 32,390 employees (excluding our executive officers). On average, our male employees have served 7.6 years and our female employees have served 5.7 years. The total amount of salary paid to our employees for the six months ended June 30, 2015 based on income tax statements submitted to the Korean tax authority in accordance with Article 20 of the Income Tax Act was ₩966,193 million for our male employees and ₩251,969 million for our female employees. The following table provides details of our employees as of June 30, 2015:

	Number of employees <sup>(1)</sup>	Total salary in 2015 H1 <sup>(2)(3)(4)</sup>	Total salary per capita <sup>(5)</sup>	Average years of service
Male	23,599	966,193	41	7.6
Female	8,791	251,969	28	5.7
<b>Total</b>	<b>32,390</b>	<b>1,218,162</b>	<b>38</b>	<b>7.1</b>

(1) Includes part-time employees.

(2) Welfare benefits and retirement expenses have been excluded. Total welfare benefit provided to our employees for the six months ended June 30, 2015 was ₩174,119 million and the per capita welfare benefit provided was ₩5.3 million.

(3) Based on income tax statements, which are submitted to the Korean tax authority in accordance with Article 20 of the Income Tax Act.

(4) Includes incentive payments to employees who have transferred from our affiliated companies.

(5) Calculated using the average number of employees (male: 23,533, female: 8,921) for the six months ended June 30, 2015.



**Table of Contents**

LG DISPLAY CO., LTD. AND SUBSIDIARIES  
Condensed Consolidated Interim Financial Statements  
(Unaudited)  
**June 30, 2015 and 2014**  
(With Independent Auditors' Review Report Thereon)

27

**Table of Contents**

**Table of Contents**

	<b>Page</b>
<u>Independent Auditors' Review Report</u>	29
<u>Condensed Consolidated Interim Statements of Financial Position</u>	31
<u>Condensed Consolidated Interim Statements of Comprehensive Income (Loss)</u>	32
<u>Condensed Consolidated Interim Statements of Changes in Equity</u>	33
<u>Condensed Consolidated Interim Statements of Cash Flows</u>	34
<u>Notes to the Condensed Consolidated Interim Financial Statements</u>	36



**Table of Contents**

**Independent Auditors Review Report**

Based on a report originally issued in Korean

To the Board of Directors and Shareholders

LG Display Co., Ltd.:

***Reviewed Financial Statements***

We have reviewed the accompanying condensed consolidated interim financial statements of LG Display Co., Ltd. and subsidiaries (the Group) which comprise the condensed consolidated interim statement of financial position as of June 30, 2015, the condensed consolidated interim statements of comprehensive income (loss) for each of the three-month and six-month periods ended June 30, 2015 and 2014, and statements of changes in equity and cash flows for the six-month periods ended June 30, 2015 and 2014, and notes, comprising a summary of significant accounting policies and other explanatory information.

***Management's Responsibility for the Condensed Consolidated Interim Financial Statements***

Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with Korean International Financial Reporting Standards No. 1034, *Interim Financial Reporting*, and for such internal controls as management determines necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to issue a report on these condensed consolidated interim financial statements based on our reviews.

We conducted our reviews in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Security and Futures Commission of the Republic of Korea. A review of interim financial information consists principally of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of Korea and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Conclusion***

Based on our reviews, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements referred to above are not presented fairly, in all material respects, in accordance with Korean International Financial Reporting Standards No. 1034, *Interim Financial Reporting*.

***Emphasis of Matter***

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

As discussed in note 17 to the consolidated financial statements, the Group has been or is named as defendants in a number of individual lawsuits and class actions in the United States and Canada, respectively, in connection with alleged antitrust violations concerning the sale of LCD panels. The Group estimated and recognized losses related to these alleged violations. 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 Group.

**Table of Contents**

***Other Matters***

The procedures and practices utilized in the Republic of Korea to review such condensed consolidated interim financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying condensed consolidated interim financial statements are for use by those knowledgeable about Korean review standards and their application in practice.

We audited the consolidated statement of financial position as of December 31, 2014 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this review report, in accordance with auditing standards generally accepted in the Republic of Korea, and our report thereon, dated February 17, 2015, expressed an unqualified opinion. The accompanying condensed consolidated statement of financial position of the Group as of December 31, 2014, presented for comparative purposes, is not different from that audited by us from which it was derived in all material respects.

/s/ KPMG Samjong Accounting Corp.

Seoul, Korea

August 4, 2015

This report is effective as of August 4, 2015 the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying condensed consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

**Table of Contents**

LG DISPLAY CO., LTD. AND SUBSIDIARIES

**Condensed Consolidated Interim Statements of Financial Position**

(Unaudited)

As of June 30, 2015 and December 31, 2014

<i>(In millions of won)</i>	Note	June 30, 2015	December 31, 2014
<b>Assets</b>			
Cash and cash equivalents	9	₩ 1,142,299	889,839
Deposits in banks	9	1,534,804	1,526,482
Trade accounts and notes receivable, net	9,16,19	3,437,340	3,444,477
Other accounts receivable, net	9	102,650	119,478
Other current financial assets	9	3,896	3,250
Inventories	5	2,578,768	2,754,098
Prepaid income taxes		6,984	6,340
Other current assets		471,233	496,665
<b>Total current assets</b>		9,277,974	9,240,629
Deposits in banks	9	13	8,427
Investments in equity accounted investees	6	353,490	407,644
Other non-current financial assets	9	33,320	33,611
Property, plant and equipment, net	7,20	10,846,187	11,402,866
Intangible assets, net	8,20	706,200	576,670
Deferred tax assets	21	946,525	1,036,507
Other non-current assets		291,096	260,669
<b>Total non-current assets</b>		13,176,831	13,726,394
<b>Total assets</b>		₩ 22,454,805	22,967,023
<b>Liabilities</b>			
Trade accounts and notes payable	9,19	₩ 2,651,176	3,391,635
Current financial liabilities	9,10	1,085,263	967,909
Other accounts payable	9,19	1,560,203	1,508,158
Accrued expenses		664,028	740,492
Income tax payable		158,592	227,714
Provisions	17	115,569	193,884
Advances received	16	169,105	488,379
Other current liabilities		45,041	31,385
<b>Total current liabilities</b>		6,448,977	7,549,556
Non-current financial liabilities	9,10	3,029,964	3,279,477

Non-current provisions		11,047	8,014
Defined benefit liabilities, net	14	283,439	324,180
Deferred tax liabilities	21	33,345	245
Other non-current liabilities		14,017	22,141
<b>Total non-current liabilities</b>		<b>3,371,812</b>	<b>3,634,057</b>
<b>Total liabilities</b>		<b>9,820,789</b>	<b>11,183,613</b>
<b>Equity</b>			
Share capital	18	1,789,079	1,789,079
Share premium		2,251,113	2,251,113
Reserves	18	15,819	(63,843)
Retained earnings		8,067,004	7,455,063
<b>Total equity attributable to owners of the Controlling Company</b>		<b>12,123,015</b>	<b>11,431,412</b>
<b>Non-controlling interests</b>		<b>511,001</b>	<b>351,998</b>
<b>Total equity</b>		<b>12,634,016</b>	<b>11,783,410</b>
<b>Total liabilities and equity</b>		<b>₩ 22,454,805</b>	<b>22,967,023</b>

*See accompanying notes to the condensed consolidated interim financial statements.*

**Table of Contents**

## LG DISPLAY CO., LTD. AND SUBSIDIARIES

**Condensed Consolidated Interim Statements of Comprehensive Income (Loss)**

(Unaudited)

For the three-month and six-month periods ended June 30, 2015 and 2014

<i>(In millions of won, except earnings per share)</i>	Note	For the three-month period ended June 30		For the six-month period ended June 30	
		2015	2014	2015	2014
Revenue	19,20	₩ 6,707,585	5,979,040	₩ 13,729,934	11,566,738
Cost of sales	5,11,19	(5,567,799)	(5,270,470)	(11,228,859)	(10,194,337)
<b>Gross profit</b>		1,139,786	708,570	2,501,075	1,372,401
Selling expenses	12	(191,749)	(160,556)	(381,826)	(318,436)
Administrative expenses	12	(144,503)	(122,965)	(288,932)	(244,661)
Research and development expenses		(315,426)	(261,967)	(598,309)	(551,941)
<b>Operating profit</b>		488,108	163,082	1,232,008	257,363
Finance income	15	40,896	53,451	69,211	72,856
Finance costs	15	(54,764)	(44,570)	(110,907)	(92,358)
Other non-operating income	13	254,588	328,978	507,129	504,569
Other non-operating expenses	13	(223,330)	(209,982)	(566,446)	(431,425)
Equity in income of equity accounted investees, net		1,438	1,947	(295)	10,499
<b>Profit before income tax</b>		506,936	292,906	1,130,700	321,504
Income tax expense	21	(144,360)	(36,869)	(292,373)	(147,435)
<b>Profit for the period</b>		362,576	256,037	838,327	174,069
<b>Other comprehensive income (loss)</b>					
<b>Items that will never be reclassified to profit or loss</b>					
Remeasurements of net defined benefit liabilities	14	(984)	(656)	(2,937)	(3,375)
Related income tax		237	161	566	865
		(747)	(495)	(2,371)	(2,510)
<b>Items that are or may be reclassified to profit or loss</b>					

Net change in fair value of available-for-sale financial assets	15	13	896	894	1,726
Foreign currency translation differences for foreign operations		79,711	(163,440)	92,904	(186,434)
Share of loss from sale of treasury stocks by associates		(59)	(260)	(344)	(625)
Related income tax		(61)	(441)	(37)	(367)
		79,604	(163,245)	93,417	(185,700)
<b>Other comprehensive income (loss) for the period, net of income tax</b>		78,857	(163,740)	91,046	(188,210)
<b>Total comprehensive income (loss) for the period</b>	₩	441,433	92,297	₩	929,373 (14,141)
<b>Profit (loss) attributable to:</b>					
Owners of the Controlling Company		334,996	258,327	793,220	178,376
Non-controlling interests		27,580	(2,290)	45,107	(4,307)
<b>Profit for the period</b>	₩	362,576	256,037	₩	838,327 174,069
<b>Total comprehensive income (loss) attributable to:</b>					
Owners of the Controlling Company		404,802	108,062	870,511	5,806
Non-controlling interests		36,631	(15,765)	58,862	(19,947)
<b>Total comprehensive income (loss) for the period</b>	₩	441,433	92,297	₩	929,373 (14,141)
<b>Earnings per share (In Won)</b>					
Basic earnings per share	22	₩	936	722	2,217 499
Diluted earnings per share	22	₩	936	722	2,217 499

See accompanying notes to the condensed consolidated interim financial statements.

**Table of Contents**

LG DISPLAY CO., LTD. AND SUBSIDIARIES

**Condensed Consolidated Interim Statements of Changes in Equity**

(Unaudited)

For the six-month periods ended June 30, 2015 and 2014

<i>(In millions of won)</i>	<b>Attributable to owners of the Controlling Company</b>							
	<b>Share capital</b>	<b>Share premium</b>	<b>Share by associates</b>	<b>Share of loss from sale of treasury stocks</b>	<b>Fair value reserve</b>	<b>Translation reserve</b>	<b>Retained earnings</b>	<b>Non-controlling interests</b>
<b>Balances at January 1, 2014</b>	₩ 1,789,079	2,251,113	(254)	572	(91,992)	6,662,655	186,247	10,797,420
<b>Total comprehensive income (loss) for the period</b>								
Profit (loss) for the period						178,376	(4,307)	174,069
<b>Other comprehensive income (loss)</b>								
Net change in fair value of available-for-sale financial assets, net of tax				1,629				1,629
Remeasurements of the net defined benefit liabilities, net of tax						(2,510)		(2,510)
Foreign currency translation differences for foreign operations, net of tax					(171,064)		(15,640)	(186,704)
Share of loss from sale of treasury stocks by associates, net of tax			(625)					(625)



Total other comprehensive income (loss)		(625)	1,629	(171,064)	(2,510)	(15,640)	(188,210)		
Total comprehensive income (loss) for the period	₩	(625)	1,629	(171,064)	175,866	(19,947)	(14,141)		
<b>Transaction with owners, recognized directly in equity</b>									
Decrease of share interest in non-controlling interests						(2,955)	(2,955)		
Capital contribution from non-controlling interests						125,900	125,900		
<b>Balances at June 30, 2014</b>	₩	1,789,079	2,251,113	(879)	2,201	(263,056)	6,838,521	289,245	10,906,224
<b>Balances at January 1, 2015</b>	₩	1,789,079	2,251,113	(1,614)	1,368	(63,597)	7,455,063	351,998	11,783,410
<b>Total comprehensive income (loss) for the period</b>									
Profit for the period						793,220	45,107	838,327	
<b>Other comprehensive income (loss)</b>									
Net change in fair value of available-for-sale financial assets, net of tax				887					887
Remeasurements of the net defined benefit liabilities, net of tax						(2,371)		(2,371)	
Foreign currency translation differences for foreign operations,					79,119		13,755	92,874	

net of tax																		
Share of loss from sale of treasury stocks by associates, net of tax										(344)	(344)							
Total other comprehensive income (loss)										(344)	887	79,119	(2,371)	13,755	91,046			
Total comprehensive income (loss) for the period										₩	(344)	887	79,119	790,849	58,862	929,373		
<b>Transaction with owners, recognized directly in equity</b>																		
Dividends to equity holders														(178,908)	(178,908)			
Capital contribution from non-controlling interests														100,141	100,141			
<b>Balances at June 30, 2015</b>										₩	1,789,079	2,251,113	(1,958)	2,255	15,522	8,067,004	511,001	12,634,016

*See accompanying notes to the condensed consolidated interim financial statements.*

**Table of Contents**

LG DISPLAY CO., LTD. AND SUBSIDIARIES

**Condensed Consolidated Interim Statements of Cash Flows**

(Unaudited)

For the six-month periods ended June 30, 2015 and 2014

<i>(In millions of won)</i>	Note	2015	2014
<b>Cash flows from operating activities:</b>			
Profit for the period		₩ 838,327	174,069
<b>Adjustments for:</b>			
Income tax expense	21	292,373	147,435
Depreciation	11	1,513,114	1,649,726
Amortization of intangible assets	11	196,417	115,680
Gain on foreign currency translation		(84,070)	(75,000)
Loss on foreign currency translation		70,788	40,614
Expenses related to defined benefit plans	14	99,518	108,952
Impairment loss on intangible assets		264	618
Gain on disposal of property, plant and equipment		(8,797)	(5,032)
Loss on disposal of property, plant and equipment		137	390
Loss on disposal of intangible assets		11	
Finance income		(51,495)	(52,460)
Finance costs		76,636	59,290
Equity in income of equity method accounted investees, net		295	(10,499)
Other income		(1,478)	(7,281)
Other expenses		180,845	68,212
		2,284,558	2,040,645
Change in trade accounts and notes receivable		(254,713)	326,485
Change in other accounts receivable		44,366	(17,128)
Change in other current assets		39,578	(179,168)
Change in inventories		175,332	(53,444)
Change in other non-current assets		(54,593)	(64,635)
Change in trade accounts and notes payable		(793,973)	(511,737)
Change in other accounts payable		(368,239)	(408,500)
Change in accrued expenses		(35,257)	5,860
Change in other current liabilities		20,020	(25,867)
Change in other non-current liabilities		424	15,286
Change in provisions		(58,556)	(53,698)
Change in defined benefit liabilities, net		(142,597)	(102,111)
		(1,428,208)	(1,068,657)
Cash generated from operating activities		1,694,677	1,146,057

Income taxes paid	(272,435)	(58,995)
Interests received	32,449	13,873
Interests paid	(67,979)	(95,273)
<b>Net cash provided by operating activities</b>	<b>₩ 1,386,712</b>	<b>1,005,662</b>

*See accompanying notes to the condensed consolidated interim financial statements.*

**Table of Contents**

LG DISPLAY CO., LTD. AND SUBSIDIARIES

**Condensed Consolidated Interim Statements of Cash Flows, Continued**

(Unaudited)

For the six-month periods ended June 30, 2015 and 2014

<i>(In millions of won)</i>	<b>Note</b>	<b>2015</b>	<b>2014</b>
<b>Cash flows from investing activities:</b>			
Dividends received	₩	20,779	727
Proceeds from withdrawal of deposits in banks		1,339,805	768,176
Increase in deposits in banks		(1,339,712)	(437,183)
Acquisition of investments in equity accounted investees		(360)	(324)
Proceeds from disposal of investments in equity accounted investees		2,490	3,589
Acquisition of property, plant and equipment		(941,209)	(1,710,984)
Proceeds from disposal of property, plant and equipment		207,369	16,281
Acquisition of intangible assets		(132,207)	(180,871)
Government grants received		3,200	47,791
Net cash inflow from disposal of a subsidiary			2,409
Net cash outflow from disposal of a subsidiary		(110,093)	
Proceeds from disposal of other financial assets		92	
Acquisition of other non-current financial assets		(747)	(2,099)
Proceeds from disposal of other non-current financial assets		1,243	15,437
<b>Net cash used in investing activities</b>		<b>(949,350)</b>	<b>(1,477,051)</b>
<b>Cash flows from financing activities:</b>			
Proceeds from short-term borrowings			666,478
Repayments of short-term borrowings		(223,626)	
Proceeds from issuance of debentures		298,778	298,783
Proceeds from long-term debt			503,037
Repayments of long-term debt			(503,618)
Repayments of current portion of long-term debt and debentures		(240,499)	(350,044)
Capital contribution from non-controlling interest		100,141	125,900
Dividends paid		(178,908)	
<b>Net cash provided by (used in) financing activities</b>		<b>(244,114)</b>	<b>740,536</b>
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at January 1		889,839	1,021,870
Effect of exchange rate fluctuations on cash held		59,212	(19,006)

<b>Cash and cash equivalents at June 30</b>	₩	1,142,299	1,272,011
---	---	-----------	-----------

*See accompanying notes to the condensed consolidated interim financial statements.*

---

**Table of Contents**

**LG DISPLAY CO., LTD. AND SUBSIDIARIES**

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

1. Reporting Entity

(a) Description of the Controlling Company

LG Display Co., Ltd. (the Controlling Company) was incorporated in February 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 Controlling Company. The main business of the Controlling Company and its subsidiaries (the Group) is to manufacture and sell TFT-LCD panels. The Controlling Company is a stock company ( Jusikhoesa ) domiciled in the Republic of Korea with its address at 128 Yeouidae-ro, Yeongdeungpo-gu, Seoul, the Republic of Korea. In July 1999, LG Electronics Inc. and Koninklijke Philips Electronics N.V. ( Philips ) entered into a joint venture agreement. Pursuant to the agreement, the Controlling Company changed its name to LG.Philips LCD Co., Ltd. However, in February 2008, the Controlling Company changed its name to LG Display Co., Ltd. considering the decrease of Philips' s share interest in the Controlling Company and the possibility of its business expansion to other display products including Organic Light Emitting Diode ( OLED ) and Flexible Display products. As of June 30, 2015, LG Electronics Inc. owns 37.9% (135,625,000 shares) of the Controlling Company's common stock.

As of June 30, 2015, the Controlling Company has TFT-LCD manufacturing plants, an OLED manufacturing plant and a Research & Development Center in Paju and TFT-LCD manufacturing plants in Gumi. The Controlling Company has overseas subsidiaries located in North America, Europe and Asia.

The Controlling Company's common stock is listed on the Korea Exchange under the identifying code 034220. As of June 30, 2015, there are 357,815,700 shares of common stock outstanding. The Controlling Company's common stock is also listed on the New York Stock Exchange in the form of American Depositary Shares ( ADSs ) under the symbol LPL . One ADS represents one-half of one share of common stock. As of June 30, 2015, there are 27,053,762 ADSs outstanding.

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

1. Reporting Entity, Continued(b) Consolidated Subsidiaries as of June 30, 2015*(In millions)*

<b>Subsidiaries</b>	<b>Location</b>	<b>Percentage of ownership</b>	<b>Fiscal year end</b>	<b>Date of incorporation</b>	<b>Business</b>	<b>Capital stocks</b>
LG Display America, Inc.	San Jose, U.S.A.	100%	December 31	September 24, 1999	Sell TFT-LCD products	USD 411
LG Display Japan Co., Ltd.	Tokyo, Japan	100%	December 31	October 12, 1999	Sell TFT-LCD products	JPY 95
LG Display Germany GmbH	Ratingen, Germany	100%	December 31	November 5, 1999	Sell TFT-LCD products	EUR 1
LG Display Taiwan Co., Ltd.	Taipei, Taiwan	100%	December 31	April 12, 1999	Sell TFT-LCD products	NTD 116
LG Display Nanjing Co., Ltd.	Nanjing, China	100%	December 31	July 15, 2002	Manufacture and sell TFT-LCD products	CNY 2,937
LG Display Shanghai Co., Ltd.	Shanghai, China	100%	December 31	January 16, 2003	Sell TFT-LCD products	CNY 4
LG Display Poland Sp. z o.o.	Wroclaw, Poland	100%	December 31	September 6, 2005	Manufacture and sell TFT-LCD products	PLN 511
LG Display Guangzhou Co., Ltd.	Guangzhou, China	100%	December 31	June 30, 2006	Manufacture and sell TFT-LCD products	CNY 1,655
LG Display Shenzhen Co., Ltd.	Shenzhen, China	100%	December 31	August 28, 2007	Sell TFT-LCD products	CNY 4
LG Display Singapore	Singapore	100%	December 31	January 12, 2009	Sell TFT-LCD products	SGD 1.4



Edgar Filing: LG Display Co., Ltd. - Form 6-K

Pte. Ltd.						
L&T Display Technology (Xiamen) Limited	Xiamen, China	51%	December 31	January 5, 2010	Manufacture LCD module and LCD TV sets	CNY 82
L&T Display Technology (Fujian) Limited	Fujian, China	51%	December 31	January 5, 2010	Manufacture LCD module and monitor sets	CNY 116
LG Display Yantai Co., Ltd.	Yantai, China	100%	December 31	April 19, 2010	Manufacture and sell TFT-LCD products	CNY 956
LG Display U.S.A. Inc.	McAllen, U.S.A.	100%	December 31	October 26, 2011	Manufacture and sell TFT-LCD products	USD 11
Nanumnuri Co., Ltd.	Gumi, South Korea	100%	December 31	March 21, 2012	Janitorial services	KRW 800
LG Display (China) Co., Ltd. (*1)	Guangzhou, China	70%	December 31	December 10, 2012	Manufacture and sell TFT-LCD products	CNY 8,097
Unified Innovative Technology, LLC	Wilmington, U.S.A.	100%	December 31	March 12, 2014	Manage intellectual property	USD 9
LG Display Guangzhou Trading Co., Ltd. (*2)	Guangzhou, China	100%	December 31	April 28, 2015	Sell TFT-LCD products	CNY 1.2
Global OLED Technology, LLC (*3)	Herndon, U.S.A.	100%	December 31	December 18, 2009	Manage intellectual property	USD 138
Money Market Trust(*4)	Seoul, South Korea	100%	December 31		Money market trust	KRW 27,800

(\*1) In January 2015, the Controlling Company invested ₩134,619 million in cash for the capital increase of LG Display (China) Co., Ltd. ( LGDCA ). In addition, in January 2015, LG Display Guangzhou Co., Ltd. ( LGDGZ ), a subsidiary of the Controlling Company, invested ₩112,485 million in cash for the capital increase of LGDCA. The Controlling Company's ownership percentage in LGDCA decreased from 56% to 52% and LGDGZ's ownership percentage in LGDCA increased from 14% to 18%, respectively, as of December 31, 2014 to June 30, 2015.

---

**Table of Contents**

**LG DISPLAY CO., LTD. AND SUBSIDIARIES**

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

1. Reporting Entity, Continued

(\*2) In April 2015, the Controlling Company established LG Display Guangzhou Trading Co., Ltd. to sell TFT-LCD products. As of June 30, 2015, the Controlling Company has a 100% equity interest of this subsidiary and its capital stock amounts to ₩218 million as of June 30, 2015.

(\*3) In May 2015, the Controlling Company invested additional ₩111,040 and acquired 67% ownership in Global OLED Technology LLC. The Controlling Company's ownership percentage in Global OLED Technology increased from 33% to 100% as of December 31, 2014 to June 30, 2015.

(\*4) In January 2015, the Controlling Company disposed ₩18,100 million and acquired ₩27,800 million in June 2015 in Money Market Trust. There was no change in the Controlling Company's ownership percentage in MMT as a result of its disposal and acquisition.

2. Basis of Presenting Financial Statements

(a) Statement of Compliance

The condensed consolidated interim financial statements have been prepared in accordance with Korean International Financial Reporting Standards ( K-IFRSs ) No.1034, *Interim Financial Reporting*. They do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as of and for the year ended December 31, 2014.

(b) Basis of Measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

available-for-sale financial assets measured at fair value, and

liabilities for defined benefit plans are recognized as the present value of defined benefit obligations less the fair value of plan assets

(c) Functional and Presentation Currency

The condensed consolidated interim financial statements are presented in Korean won, which is the Controlling Company's functional currency. All amounts in Korean won are in millions unless otherwise stated.

(d) Use of Estimates and Judgments

The preparation of the condensed consolidated interim financial statements in conformity with K-IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in its consolidated financial statements as of and for the year ended December 31, 2014.

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

**3. Summary of Significant Accounting Policies**

The significant accounting policies followed by the Group in the preparation of its condensed consolidated interim financial statements are the same as those followed by the Group in its preparation of the consolidated financial statements as of and for the year ended December 31, 2014.

**4. Financial Risk Management**

The objectives and policies on financial risk management followed by the Group are consistent with those disclosed in the consolidated financial statements as of and for the year ended December 31, 2014.

**5. Inventories**

Inventories as of June 30, 2015 and December 31, 2014 are as follows:

<i>(In millions of won)</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Finished goods	₩ 1,085,439	1,200,592
Work-in-process	732,828	745,614
Raw materials	415,663	426,380
Supplies	344,838	381,512
	<b>₩ 2,578,768</b>	<b>2,754,098</b>

For the six-month periods ended June 30, 2015 and 2014, the amount of inventories recognized as cost of sales, inventory write-downs and reversal and usage of inventory write-downs included in cost of sales is as follows;

<i>(In millions of won)</i>	<b>2015</b>	<b>2014</b>
Inventories recognized as cost of sales	₩ 11,228,859	10,194,337
Including: inventory write-downs	436,565	224,022
Including: reversal and usage of inventory write-downs	(332,699)	(211,363)



**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

**6. Investments in Equity Accounted Investees**

Associates and Joint Ventures (Equity Method Investees) as of June 30, 2015 are as follows:

*(In millions of won)*

<b>Associates and joint ventures</b>	<b>Location</b>	<b>Percentage of ownership</b>	<b>Fiscal year end</b>	<b>Date of incorporation</b>	<b>Business</b>	<b>Carrying amount</b>
Suzhou Raken Technology Co., Ltd.(*1)	Suzhou, China	51%	December 31	October 2008	Manufacture and sell LCD modules and LCD TV set	₩ 135,386
Paju Electric Glass Co., Ltd.	Paju, South Korea	40%	December 31	January 2005	Manufacture electric glass for FPDs	52,762
TLI Inc.(*2)	Seongnam, South Korea	10%	December 31	October 1998	Manufacture and sell semiconductor parts for FPDs	5,239
AVACO Co., Ltd.(*2)	Daegu, South Korea	16%	December 31	January 2001	Manufacture and sell equipment for FPDs	11,703
New Optics Ltd.	Yangju, South Korea	46%	December 31	August 2005	Manufacture back light parts for TFT-LCDs	44,721
LIG INVENIA Co., Ltd. (LIG ADP Co., Ltd.)(*2)	Seongnam, South Korea	13%	December 31	January 2001	Develop and manufacture equipment for FPDs	2,043
WooRee E&L Co., Ltd.	Ansan, South Korea	21%	December 31	June 2008	Manufacture LED back light unit packages	22,374
LB Gemini New Growth Fund No. 16 (*3)	Seoul, South Korea	31%	December 31	December 2009	Invest in small and middle sized companies and	16,332

					benefit from M&A opportunities	
Can Yang Investments Limited(*2)	Hong Kong	9%	December 31	January 2010	Develop, manufacture and sell LED parts	7,821
YAS Co., Ltd.(*2)(*4)	Paju, South Korea	19%	December 31	April 2002	Develop and manufacture deposition equipment for OLEDs	10,928
Narenanotech Corporation	Yongin, South Korea	23%	December 31	December 1995	Manufacture and sell FPD manufacturing equipment	25,097
AVATEC Co., Ltd.(*2)	Daegu, South Korea	16%	December 31	August 2000	Process and sell glass for FPDs	18,730
Glonix Co., Ltd.	Gimhae, South Korea	20%	December 31	October 2006	Manufacture and sell LCD	354

₩ 353,490

(\*1) Despite its 51% ownership, management concluded that the Controlling Company does not have control of Suzhou Raken Technology Co., Ltd. because the Controlling Company and AmTRAN Technology Co., Ltd., which has a 49% equity interest of the investee, jointly control the board of directors of the investee through equal voting powers. Accordingly, investment in Suzhou Raken Technology Co., Ltd. was accounted as an equity method investment.

(\*2) Although the Controlling Company's share interests in TLI Inc., AVACO Co., Ltd., LIG INVENIA Co., Ltd., Can Yang Investments Limited, YAS Co., Ltd., and AVATEC Co., Ltd. are below 20%, the Controlling Company is able to exercise significant influence through its right to appoint a director to the board of directors of each investee and the transactions between the Controlling Company and the investees are significant. Accordingly, the investments in these investees have been accounted for using the equity method.

**Table of Contents**

**LG DISPLAY CO., LTD. AND SUBSIDIARIES**

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

6. Investments in Equity Accounted Investees, Continued

(\*3) The Controlling Company is a member of a limited partnership in the LB Gemini New Growth Fund No. 16 ( the Fund ). In March 2015, the Controlling Company made an additional cash investment of ₩360 million in the Fund and received ₩2,490 million from the Fund as capital distribution in April 2015. There were no changes in the Controlling Company s ownership percentage in the Fund and the Controlling Company is committed to making future investments of up to an aggregate of ₩30,000 million.

(\*4) In 2015, YAS Co., Ltd. exercised its stock option and the Controlling Company s ownership percentage in YAS Co., Ltd. decreased from 19.2% to 18.5% as of December 31, 2014 to June 30, 2015.

7. Property, Plant and Equipment

For the six-month periods ended June 30, 2015 and 2014, the Group purchased property, plant and equipment of ₩1,134,805 million and ₩1,910,621 million, respectively. The capitalized borrowing costs and the annualized capitalization rate were ₩6,914 million and 3.89%, and ₩17,096 million and 3.45% for the six-month periods ended June 30, 2015 and 2014, respectively. Also, for the six-month periods ended June 30, 2015 and 2014, the Group disposed of property, plant and equipment with carrying amounts of ₩225,045 million and ₩11,639 million, respectively, and recognized ₩8,797 million and ₩137 million as gain and loss, respectively, on disposal of property, plant and equipment for the six-month period ended June 30, 2015 (gain and loss for the six-month period ended June 30, 2014: ₩5,032 million and ₩390 million, respectively).

8. Intangible Assets

The Group capitalizes expenditures related to development activities, such as expenditures incurred on designing, manufacturing and testing of products that are ultimately selected for production. The balances of capitalized development costs as of June 30, 2015 and December 31, 2014 are ₩205,412 million and ₩253,624 million, respectively.



**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

**9. Financial Instruments****(a) Credit risk****(i) Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as of June 30, 2015 and December 31, 2014 is as follows:

*(In millions of won)*

	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Cash and cash equivalents	₩ 1,142,299	889,839
Deposits in banks	1,534,817	1,534,909
Trade accounts and notes receivable, net	3,437,340	3,444,477
Other accounts receivable, net	102,650	119,478
Available-for-sale financial assets	3,180	3,237
Deposits	18,961	19,602
Other non-current financial assets	8,477	7,859
	<b>₩ 6,247,724</b>	<b>6,019,401</b>

The maximum exposure to credit risk for trade accounts and notes receivable as of June 30, 2015 and December 31, 2014 by geographic region was as follows:

*(In millions of won)*

	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Domestic	₩ 449,662	406,163
Euro-zone countries	285,905	309,296
Japan	164,443	135,972
United States	641,027	1,300,700

Edgar Filing: LG Display Co., Ltd. - Form 6-K

China	933,516	746,111
Taiwan	693,839	378,272
Others	268,948	167,963
	₩ 3,437,340	3,444,477

Table of Contents**LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

9. Financial Instruments, Continued

## (ii) Impairment loss

The aging of trade accounts and notes receivable as of June 30, 2015 and December 31, 2014 was as follows:

*(In millions of won)*

	<b>June 30, 2015</b>		<b>December 31, 2014</b>	
	<b>Book value</b>	<b>Impairment loss</b>	<b>Book value</b>	<b>Impairment loss</b>
Not past due	₩ 3,427,529	(1,774)	3,412,933	(762)
Past due 1-15 days	9,831	(27)	26,220	(30)
Past due 16-30 days	6		4,130	(13)
Past due 31-60 days	14		1,830	(18)
Past due more than 60 days	1,765	(4)	189	(2)
	₩ 3,439,145	(1,805)	3,445,302	(825)

The movement in the allowance for impairment in respect of receivables during the six-month period ended June 30, 2015 and the year ended December 31, 2014 are as follows:

*(In millions of won)*

	<b>2015</b>	<b>2014</b>
Balance at the beginning of the period	₩ 825	330
Bad debt expense	980	495
Balance at the reporting date	₩ 1,805	825

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

9. Financial Instruments, Continued

## (b) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments, as of June 30, 2015.

*(In millions of won)*

	Carrying amount	Total	Contractual cash flows				
			6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities :</b>							
Secured bank loans	₩ 664,267	727,299	10,291	10,179	20,414	686,415	
Unsecured bank loans	756,163	772,016	102,162	173,704	493,775	2,090	285
Unsecured bond issues	2,694,797	2,883,103	457,883	445,222	821,125	1,074,492	84,381
Trade accounts and notes payables	2,651,176	2,651,176	2,651,176				
Other accounts payable	1,571,206	1,572,490	1,557,736	2,660	5,444	6,650	
	₩ 8,337,609	8,606,085	4,779,248	631,765	1,340,758	1,769,647	84,666

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

**9. Financial Instruments, Continued**

## (c) Currency risk

## (i) Exposure to currency risk

The Group's exposure to foreign currency risk based on notional amounts as of June 30, 2015 and December 31, 2014 is as follows:

*(In millions)*

	June 30, 2015					
	USD	JPY	CNY	TWD	EUR	PLN
Cash and cash equivalents	182	1,597	3,989	26	3	49
Deposits in banks			818			
Trade accounts and notes receivable	2,632	1,277	982			
Other accounts receivable	31	1	47	11		
Long-term other accounts receivable	7					
Other assets denominated in foreign currencies	1	253	17	7		
Trade accounts and notes payable	(1,128)	(19,218)	(1,308)			
Other accounts payable	(244)	(4,441)	(1,336)	(4)	(3)	(6)
Long-term other accounts payable			(1)			
Debt	(1,270)					
Net exposure	211	(20,531)	3,208	40		43

*(In millions)*

	December 31, 2014						
	USD	JPY	CNY	TWD	EUR	PLN	BRL
Cash and cash equivalents	507	1,221	1,565	146	1	79	
Trade accounts and notes receivable	2,737	682	962				
Other accounts receivable	13		205	1	21		
Long-term other accounts receivable	6						
Other assets denominated in foreign currencies	1	255	18	7			
Trade accounts and notes payable	(1,750)	(21,468)	(1,233)				
Other accounts payable	(268)	(6,056)	(1,522)	(128)	(20)	(11)	(34)

Long-term other accounts payable				(1)				
Debt	(1,508)							
Net exposure	(262)	(25,366)	(6)	26	2	68	(34)	

45

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

**9. Financial Instruments, Continued**

Average exchange rates applied for the six-month periods ended June 30, 2015 and 2014 and the exchange rates at June 30, 2015 and December 31, 2014 are as follows:

<i>(In won)</i>	Average rate		Reporting date spot rate	
	2015	2014	June 30, 2015	December 31, 2014
USD	₩ 1,096.74	1,049.33	1,124.10	1,099.20
JPY	9.04	10.23	9.17	9.20
CNY	176.75	170.29	181.09	176.81
TWD	35.57	34.75	36.38	34.69
EUR	1,213.35	1,438.68	1,260.51	1,336.52
PLN	296.92	344.68	300.35	312.49
BRL	357.71	461.93	360.52	413.62

**(ii) Sensitivity analysis**

A weaker won, as indicated below, against the following currencies which comprise the Group's assets or liabilities denominated in foreign currency as of June 30, 2015 and December 31, 2014, would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considers to be reasonably possible as of the end of reporting period. The analysis assumes that all other variables, in particular interest rates, would remain constant. The changes in equity and profit or loss would have been as follows:

<i>(In millions of won)</i>	June 30, 2015		December 31, 2014	
	Equity	Profit or loss	Equity	Profit or loss
USD (5 percent weakening)	₩ 7,021	15,070	(15,674)	3,829
JPY (5 percent weakening)	(7,665)	(5,482)	(9,701)	(6,169)
CNY (5 percent weakening)	29,815	(2,411)	197	(757)
TWD (5 percent weakening)	72		46	

Edgar Filing: LG Display Co., Ltd. - Form 6-K

EUR (5 percent weakening)	(141)	397	(360)	1,511
PLN (5 percent weakening)	731	(243)	981	242
BRL (5 percent weakening)			(533)	(533)

A stronger won against the above currencies as of June 30, 2015 and December 31, 2014 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.



**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

**9. Financial Instruments, Continued**

## (d) Interest rate risk

## (i) Profile

The interest rate profile of the Group's interest-bearing financial instruments as of June 30, 2015 and December 31, 2014 is as follows:

<i>(In millions of won)</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
<b>Fixed rate instruments</b>		
Financial assets	₩ 2,680,283	2,427,972
Financial liabilities	(2,698,333)	(2,822,170)
	₩ (18,050)	(394,198)
<b>Variable rate instruments</b>		
Financial liabilities	₩ (1,416,894)	(1,425,216)

## (ii) Equity and profit or loss sensitivity analysis for variable rate instruments

As of June 30, 2015 and December 31, 2014, a change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below for each 12-month period following the reporting dates. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

<i>(In millions of won)</i>	<b>Equity</b>		<b>Profit or loss</b>	
	<b>1%p increase</b>	<b>1%p decrease</b>	<b>1%p increase</b>	<b>1%p decrease</b>
<b>June 30, 2015</b>				
Variable rate instruments	₩ (10,740)	10,740	(10,740)	10,740
<b>December 31, 2014</b>				

Variable rate instruments	₩ (10,803)	10,803	(10,803)	10,803
---------------------------	------------	--------	----------	--------

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

9. Financial Instruments, Continued

## (e) Fair values

## (i) Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the condensed consolidated interim statements of financial position, are as follows:

*(In millions of won)*

	June 30, 2015		December 31, 2014	
	Carrying amounts	Fair values	Carrying amounts	Fair values
<b>Assets carried at fair value</b>				
Available-for-sale financial assets	₩ 3,180	3,180	3,237	3,237
<b>Assets carried at amortized cost</b>				
Cash and cash equivalents	₩ 1,142,299	(*)	889,839	(*)
Deposits in banks	1,534,817	(*)	1,534,909	(*)
Trade accounts and notes receivable	3,437,340	(*)	3,444,477	(*)
Other accounts receivable	102,650	(*)	119,478	(*)
Other non-current financial assets	8,477	(*)	7,859	(*)
Deposits	18,961	(*)	19,602	(*)
<b>Liabilities carried at amortized cost</b>				
Secured bank loans	₩ 664,267	664,267	649,140	649,140
Unsecured bank loans	756,163	756,218	1,003,563	1,003,590
Unsecured bond issues	2,694,797	2,765,373	2,594,683	2,667,092
Trade accounts and notes payable	2,651,176	(*)	3,391,635	(*)
Other accounts payable	1,560,203	1,560,324	1,494,095	1,493,869
Other non-current liabilities	11,003	11,621	12,924	13,376

(\*) Excluded from disclosures as the carrying amount approximates fair value.

The basis for determining fair values above by the Group are consistent with those disclosed in the financial statements as of and for the year ended December 31, 2014

(ii) Financial Instruments measured at cost

Available-for-sale financial assets measured at cost as of June 30, 2015 and December 31, 2014 are as follows:

*(In millions of won)*

	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Intellectual Discovery Co., Ltd.	₩ 2,673	2,673
ARCH Venture Fund VIII, L.P	553	118
Henghao Technology Co., Ltd.	3,372	3,372
	₩ 6,598	6,163

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

9. **Financial Instruments, Continued**

(iii) Fair values of financial assets and liabilities

i) Fair value hierarchy

The table below analyzes financial instruments carried at fair value based on the input variables used in the valuation method to measure fair value of assets and liabilities. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: inputs for the asset or liability that are not based on observable market data

ii) Financial instruments measured at fair value

Fair value hierarchy classifications of the financial instruments that are measured at fair value as of June 30, 2015 and December 31, 2014 are as follows:

*(In millions of won)*

	Level 1	Level 2	Level 3	Total
<b>June 30, 2015</b>				
<b>Assets</b>				
Available-for-sale financial assets	₩ 3,180			3,180

*(In millions of won)*

	Level 1	Level 2	Level 3	Total
<b>December 31, 2014</b>				
<b>Assets</b>				
Available-for-sale financial assets	₩ 3,237			3,237



**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

**9. Financial Instruments, Continued**

iii) Financial instruments not measured at fair value but for which the fair value is disclosed  
Fair value hierarchy classifications, valuation technique and inputs for fair value measurements of the financial instruments not measured at fair value but for which the fair value is disclosed as of June 30, 2015 and December 31, 2014 are as follows:

<i>(In millions of won)</i> <b>Classification</b>	<b>June 30, 2015</b>			<b>Valuation technique</b>	<b>Input</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>		
<b>Liabilities</b>					
Secured bank loans	₩		664,267	Discounted cash flow	Discount rate
Unsecured bank loans			756,218	Discounted cash flow	Discount rate
Unsecured bond issues			2,765,373	Discounted cash flow	Discount rate
Other accounts payable			1,560,324	Discounted cash flow	Discount rate
Other non-current liabilities			11,621	Discounted cash flow	Discount rate

<i>(In millions of won)</i> <b>Classification</b>	<b>December 31, 2014</b>			<b>Valuation technique</b>	<b>Input</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>		
<b>Liabilities</b>					
Secured bank loans	₩		649,140	Discounted cash flow	Discount rate
Unsecured bank loans			1,003,590	Discounted cash flow	Discount rate
Unsecured bond issues			2,667,092	Discounted cash flow	Discount rate
Other accounts payable			1,493,869	Discounted cash flow	Discount rate
Other non-current liabilities			13,376		Discount rate

Discounted  
cash flow

The significant interest rates applied for determination of the above fair value at the reporting date are as follows:

	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Debentures, loans and others	1.69~2.75%	2.23%~2.60%



**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

9. Financial Instruments, Continued

## (f) Capital management

Management's policy is to maintain a capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Liabilities to equity ratio, net borrowings to equity ratio and other financial ratios are used by management to achieve an optimal capital structure. Management also monitors the return on capital as well as the level of dividends to ordinary shareholders.

*(In millions of won)*

	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Total liabilities	₩ 9,820,789	11,183,613
Total equity	12,634,016	11,783,410
Cash and deposits in banks (*1)	2,677,103	2,416,321
Borrowings (including bonds)	4,115,227	4,247,386
Total liabilities to equity ratio	78%	95%
Net borrowings to equity ratio (*2)	11%	16%

(\*1) Cash and deposits in banks consist of cash and cash equivalents and current deposits in banks.

(\*2) Net borrowings to equity ratio is calculated by dividing total borrowings (including bonds) less cash and current deposits in banks by total equity.

Table of Contents**LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

10. Financial Liabilities

(a) Financial liabilities as of June 30, 2015 and December 31, 2014 are as follows:

<i>(In millions of won)</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
<b>Current</b>		
Short-term borrowings	₩	223,626
Current portion of long-term debt	1,085,263	744,283
	₩ 1,085,263	967,909
<b>Non-current</b>		
Won denominated borrowings	₩ 3,722	4,452
Foreign currency denominated borrowings	1,150,957	1,289,837
Bonds	1,875,285	1,985,188
	₩ 3,029,964	3,279,477

(b) Short-term borrowings as of June 30, 2015 and December 31, 2014 are as follows:

*(In millions of won, USD and CNY)*

<b>Lender</b>	<b>Annual interest rate as of June 30, 2015 (%)</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Korea Development Bank and others		₩	219,839
Industrial and Commercial Bank of China and others			3,787
Foreign currency equivalent			USD 203
		₩	223,626

(c) Won denominated long-term debt as of June 30, 2015 and December 31, 2014 is as follows:

*(In millions of won)*

<b>Lender</b>	<b>Annual interest rate as of June 30, 2015 (%)</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Woori Bank and others	3-year Korean Treasury Bond rate less 1.25, 2.75	₩ 5,309	7,336
Less current portion of long-term debt		(1,587)	(2,884)
		₩ 3,722	4,452

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

10. **Financial Liabilities, Continued**

- (d) Long-term debt denominated in currencies other than won as of June 30, 2015 and December 31, 2014 is as follows:

*(In millions of won and USD)*

<b>Lender</b>	<b>Annual interest rate as of June 30, 2015 (%)</b> (*)		<b>June 30, 2015</b>		<b>December 31, 2014</b>
China Construction Bank and others	3ML+0.90~2.80	₩	1,415,121		1,421,741
Foreign currency equivalent		USD	1,270	USD	1,305
Less current portion of long-term debt			(264,164)		(131,904)
		₩	1,150,957		1,289,837

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

- (e) Details of bonds issued and outstanding as of June 30, 2015 and December 31, 2014 are as follows:

*(In millions of won)*

	<b>Maturity</b>	<b>Annual interest rate as of June 30, 2015 (%)</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
<b>Won denominated bonds (*)</b>				
Publicly issued bonds	October 2015~			
	May 2022	2.12~4.95	₩ 2,700,000	2,600,000

Less discount on bonds	(5,203)	(5,317)
Less current portion	(819,512)	(609,495)
	₩ 1,875,285	1,985,188

(\* ) Principal of the won denominated bonds is to be repaid at maturity and interests are paid quarterly in arrears.

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

**11. The Nature of Expenses and Others**

The classification of expenses by nature for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

<i>(In millions of won)</i>	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Changes in inventories	₩ 66,774	214,798	175,330	(50,805)
Purchases of raw materials, merchandise and others	3,327,127	2,921,355	6,603,051	5,841,419
Depreciation and amortization	858,394	844,747	1,709,531	1,765,406
Outsourcing fees	190,082	238,910	517,433	474,881
Labor costs	754,417	702,544	1,498,299	1,444,306
Supplies and others	268,410	229,945	503,176	460,897
Utility	200,297	180,410	407,313	365,294
Fees and commissions	138,609	110,999	274,143	221,767
Shipping costs	51,292	54,247	109,925	110,187
Advertising	56,226	31,197	97,387	57,805
Warranty expenses	26,556	22,611	60,275	43,776
Taxes and dues	20,123	17,606	42,595	33,951
Travel	17,250	17,096	33,179	31,735
Others	255,389	233,848	598,169	550,034
	₩ 6,230,946	5,820,313	12,629,806	11,350,653

(\*) Total expenses consist of cost of sales, selling, administrative, research and development expenses and other non-operating expenses, excluding foreign exchange differences.

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

**12. Selling and Administrative Expenses**

Details of selling and administrative expenses for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

<i>(In millions of won)</i>	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Salaries	₩ 66,695	64,198	131,976	128,334
Expenses related to defined benefit plans	6,781	6,265	13,649	15,413
Other employee benefits	17,320	13,648	36,423	31,277
Shipping costs	43,913	44,357	94,697	89,251
Fees and commissions	48,410	43,223	98,097	83,439
Depreciation	29,039	21,611	55,183	44,136
Taxes and dues	9,277	6,954	18,789	11,513
Advertising	56,226	31,197	97,387	57,805
Warranty expenses	26,556	22,611	60,275	43,776
Rent	5,850	5,460	11,522	10,764
Insurance	2,124	3,534	4,931	6,763
Travel	5,944	5,587	11,567	11,355
Training	4,648	3,379	7,386	5,404
Others	13,469	11,497	28,876	23,867
	₩ 336,252	283,521	670,758	563,097

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

**13. Other Non-operating Income and Other Non-operating Expenses**

- (a) Details of other non-operating income for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

<i>(In millions of won)</i>	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Rental income	₩ 1,266	2,465	2,237	4,400
Foreign currency gain	243,224	286,733	488,255	448,099
Gain on disposal of property, plant and equipment	2,679	2,267	8,797	5,032
Reversal of allowance for doubtful accounts for other receivables			268	
Commission earned	18	912	18	912
Others	7,401	36,601	7,554	46,126
	₩ 254,588	328,978	507,129	504,569

- (b) Details of other non-operating expenses for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

<i>(In millions of won)</i>	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Other bad debt expense	₩ 559	11	492	299
Foreign currency loss	211,861	205,627	434,566	390,147
Loss on disposal of property, plant and equipment	129	95	137	390
Loss on disposal of intangible assets			11	
Impairment loss on intangible assets	80	332	264	618
Donations	3,583	3,882	6,791	7,214
Expenses related to legal proceedings or claims and others	7,118	35	124,185	32,757



₩	223,330	209,982	566,446	431,425
---	---------	---------	---------	---------

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

**14. Employee Benefits**

The Controlling Company and certain subsidiaries defined benefit plans provide a lump-sum payment to an employee based on final salary rates and length of service at the time the employee leaves the Controlling Company.

(a) Recognized liabilities for defined benefit plans as of June 30, 2015 and December 31, 2014 are as follows:

*(In millions of won)*

	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Present value of partially funded defined benefit obligations	₩ 1,192,114	1,114,689
Fair value of plan assets	(908,675)	(790,509)
	<b>₩ 283,439</b>	<b>324,180</b>

(b) Expenses recognized in profit or loss for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

*(In millions of won)*

	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Current service cost	₩ 46,936	40,034	93,885	79,170
Past service cost				21,990
Net interest cost	2,817	4,014	5,633	7,792
	<b>₩ 49,753</b>	<b>44,048</b>	<b>99,518</b>	<b>108,952</b>

(c) Plan assets as June 30, 2015 and December 31, 2014 are as follows:

*(In millions of won)*

	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Guaranteed deposits in banks	₩ 908,675	790,509

As of June 30, 2015, the Group maintains the plan assets primarily with Mirae Asset Securities Co., Ltd. and Shinhan Bank.

- (d) Remeasurements of net defined benefit liabilities (assets) included in other comprehensive income (loss) for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

*(In millions of won)*

	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Remeasurements of net defined benefit assets	₩ (984)	(656)	(2,937)	(3,375)
Income tax	237	161	566	865
Remeasurements of net defined benefit assets, net of income tax	₩ (747)	(495)	(2,371)	(2,510)

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

15. Finance Income and Finance Costs

- (a) Finance income and costs recognized in profit and loss for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

*(In millions of won)*

	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Finance income</b>				
Interest income	₩ 14,599	9,605	28,455	23,641
Dividend income		282		282
Foreign currency gain	3,961	42,513	18,420	47,877
Gain on disposal of available-for-sale financial assets		775		780
Gain on disposal of investments in subsidiaries		276		276
Gain on disposal of investments in equity accounted investees	22,336		22,336	
	₩ 40,896	53,451	69,211	72,856
<b>Finance costs</b>				
Interest expense	₩ 33,147	25,571	63,359	52,823
Foreign currency loss	19,893	16,408	44,422	26,531
Loss on sale of trade accounts and notes receivable	1,241	2,591	2,643	5,862
Loss on early redemption of debt				6,986
Loss on disposal of investments in equity accounted investees	483		483	156
	₩ 54,764	44,570	110,907	92,358

- (b) Finance income and costs recognized in other comprehensive income or loss for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

*(In millions of won)*

**For the three-month**                      **For the six-month  
periods ended June 30,**

	<b>periods ended June 30,</b>			
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Net change in fair value of available-for-sale financial assets	₩ 13	896	894	1,726
Tax effect	(3)	(216)	(7)	(97)
Finance income recognized in other comprehensive income (loss) after tax	₩ 10	680	887	1,629

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

**16. Commitments*****Factoring and securitization of accounts receivable***

The Controlling Company has agreements with Korea Development Bank and several other banks for accounts receivable sales negotiating facilities of up to an aggregate of USD 2,303 million (~~₩2,588,802 million~~) in connection with the Controlling Company's export sales transactions with its subsidiaries. As of June 30, 2015, no short-term borrowings were outstanding in connection with these agreements. In connection with all of the contracts in this paragraph, the Controlling Company has sold its accounts receivable with recourse.

The Controlling Company and oversea subsidiaries entered into agreements with financial institutions for accounts receivables sales negotiating facilities. The respective maximum amount of accounts receivables sales and the amount of sold accounts receivables before maturity by contract are as follows:

*(In millions of USD and KRW)*

Classification	Financial institutions	Maximum		Not yet due	
		Contractual amount	KRW equivalent	Amount	KRW equivalent
<b>Controlling Company</b>	Shinhan Bank	KRW	100,000	100,000	
<b>Subsidiaries</b>					
LG Display Singapore Pte. Ltd.	Standard Chartered Bank	USD	300	337,230	USD 218 245,307
LG Display Taiwan Co., Ltd.	BNP Paribas Sumitomo Mitsui Banking Corporation	USD	105	118,031	
	Hongkong & Shanghai Banking Corp.	USD	200	224,820	USD 0.7 789
		USD	150	168,615	USD 0.3 296
LG Display Shanghai Co., Ltd.	BNP Paribas	USD	125	140,513	
LG Display Germany GmbH	Citibank	USD	160	179,856	
	BNP Paribas	USD	107	120,279	
LG Display America, Inc.	Hongkong & Shanghai Banking Corp.	USD	800	899,280	USD 654 735,197
	Sumitomo Mitsui Banking Corporation	USD	250	281,025	USD 27 30,351
		USD	90	101,169	

Edgar Filing: LG Display Co., Ltd. - Form 6-K

LG Display Japan Co.,  
Ltd.

Sumitomo Mitsui  
Banking Corporation

	USD	2,287	2,570,818	USD 900	1,011,940
	USD	2,287		USD 900	
	KRW	100,000	2,670,818		1,011,940

In connection with all of the contracts in the above table, the Controlling Company has sold its accounts receivable without recourse.

---

**Table of Contents**

**LG DISPLAY CO., LTD. AND SUBSIDIARIES**

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

16. Commitments, Continued

Letters of credit

As of June 30, 2015, the Controlling Company has agreements in relation to the opening of letters of credit up to USD 15 million (₩16,862 million) with Korea Exchange Bank, USD 15 million (₩16,862 million) with China Construction Bank, USD 80 million (₩89,928 million) with Bank of China, USD 60 million (₩67,446 million) with Sumitomo Mitsui Banking Corporation and USD 30 million (₩33,723 million) with Hana Bank.

Payment guarantees

The Controlling Company obtained payment guarantees from Korea Exchange Bank for borrowings amounting to USD 200 million (₩224,820 million) and USD 8.5 million (₩9,555 million) from Shinhan Bank for value added tax payments in Poland.

LG Display Japan Co., Ltd. and other subsidiaries are provided with payment guarantees from the Bank of Tokyo-Mitsubishi UFJ and other various banks amounting to JPY 700 million (₩6,420 million), CNY 4,270 million (₩773,254 million), TWD 14 million (₩509 million), EUR 2.5 million (₩3,151 million) and PLN 0.2 million (₩60 million), respectively, for their local tax payments.

Credit facility

LG Display Japan Co., Ltd. and other subsidiaries have entered into short-term credit facility agreements of up to USD 60 million (₩67,446 million) and JPY 8,000 million (₩73,372 million) in total, with Mizuho Corporate Bank and other various banks.

License agreements

As of June 30, 2015, in relation to its TFT-LCD business, the Group has technical license agreements with Hitachi Display, Ltd. and others and has a trademark license agreement with LG Corp.

Long-term supply agreement

In connection with long-term supply agreements, as of June 30, 2015 the Controlling Company's balance of advances received from a customer amount to USD 100 million (₩112,410 million) in aggregate. The advances received will be offset against outstanding accounts receivable balances after a given period of time, as well as those arising from the supply of products thereafter. The Controlling Company received a payment guarantee amounting to USD



60 million (~~₩~~67,446 million) from the Industrial Bank of Korea relating to advances received.

Pledged Assets

Regarding the secured bank loan amounting to USD 600 million (~~₩~~664,267 million) from China Construction Bank, as of June 30, 2015, the Group provided its property, plant and equipment and others with carrying amount of ~~₩~~1,346,689 million as pledged assets.

---

**Table of Contents**

**LG DISPLAY CO., LTD. AND SUBSIDIARIES**

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

**17. Legal proceedings**

**Delaware Display Group LLC and Innovative Display Technologies LLC**

In December 2013, Delaware Display Group LLC and Innovative Display Technologies LLC filed a patent infringement case against the Controlling Company and LG Display America, Inc. in the United States District Court for the District of Delaware. The Controlling Company does not have a present obligation for this matter and has not recognized any provision at June 30, 2015. It is not possible to reasonably estimate an amount of potential loss, if any, because the plaintiffs have not provided any information regarding damages.

**Surpass Tech Innovation LLC**

In March 2014, Surpass Tech Innovation LLC filed a complaint in the United States District Court for the District of Delaware against the Controlling Company and LG Display America, Inc. for alleged patent infringement. In November 2014, the case has been stayed by the United States District Court for the District of Delaware pending Inter Partes Review. The Controlling Company does not have a present obligation for this matter and has not recognized any provision at June 30, 2015. It is not possible to reasonably estimate an amount of potential loss, if any, because the plaintiffs have not provided any information regarding damages.

**Anti-trust litigations**

Certain individual plaintiffs filed complaints in various state or federal courts in the United States alleging violation of the respective antitrust laws and related laws by various LCD panel manufacturers. As of June 30, 2015, the Controlling Company is currently defending against Direct Action Plaintiffs including Motorola Mobility, Inc. and Costco Wholesale Corp. The timing and amounts of outflows are uncertain and the outcomes depend upon the various court proceedings.

In Canada, class action complaints alleging violations of Canada competition laws were filed in 2007 against the Company and other TFT-LCD manufacturers in Ontario, British Columbia and Quebec. The Ontario Superior Court of Justice certified the class action complaints filed by the direct and indirect purchasers in May 2011. The Controlling Company is pursuing an appeal of the class certification decision. The actions in Quebec and British Columbia are in abeyance. The timing and amount of outflows are uncertain and the outcome depends upon the court proceedings.

During the six-month period ended June 30, 2015, based on the developments of the above pending proceedings, the Company updated its estimates on the amount of potential outflow of resources which resulted in a decrease of provision-current for pending proceedings, in the amount of ₩197,238 million which is offset by an increase of ₩117,794 million upon utilization of the provision for proceedings closed. While the Group continues its vigorous defense of the various pending proceedings described above, management's assessment of the facts and circumstances could change based upon new information, intervening events and the final outcome of the cases. Consequently, the

actual results could be materially different from management's current estimates.

**Table of Contents**

**LG DISPLAY CO., LTD. AND SUBSIDIARIES**

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

18. Capital and Reserves

(a) Share capital

The Controlling Company is authorized to issue 500,000,000 shares of capital stock (par value ₩5,000), and as of June 30, 2015 and December 31, 2014, the number of issued common shares is 357,815,700. There have been no changes in the capital stock from January 1, 2014 to June 30, 2015.

(b) Reserves

Reserves consist mainly of the following:

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognized or impaired.

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. **Related Parties**

## (a) Related parties

Related parties as of June 30, 2015 are as follows:

<b>Classification</b>	<b>Description</b>
Associates and joint ventures(*)	Suzhou Raken Technology Co., Ltd. and others
Subsidiaries of Associates	ADP System Co., Ltd. and others
Entity that has significant influence over the Controlling Company	LG Electronics Inc.
Subsidiaries of the entity that has significant influence over the Controlling Company	Subsidiaries of LG Electronics Inc.

(\*) Details of associates and joint ventures are described in note 6.

Related parties other than associates and joint ventures that have transactions such as sales or balance of trade accounts and notes receivable and payable with the Group as of June 30, 2015 and December 31, 2014 are as follows:

<b>Classification</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Subsidiaries of Associates	ADP System Co., Ltd. Shinbo Electric Co., Ltd. AVATEC Electronics Yantai Co., Ltd. New Optics USA, Inc.	ADP System Co., Ltd. Shinbo Electric Co., Ltd. AVATEC Electronics Yantai Co., Ltd. -
Entity that has significant influence over the Controlling Company	LG Electronics Inc.	LG Electronics Inc.
Subsidiaries of the entity that has significant influence over the Controlling Company	Hi Business Logistics Co., Ltd. Hiplaza Co., Ltd.	Hi Business Logistics Co., Ltd. Hiplaza Co., Ltd.

Edgar Filing: LG Display Co., Ltd. - Form 6-K

Hi Entech Co., Ltd.	Hi Entech Co., Ltd.
LG Hitachi Water Solutions Co., Ltd.	LG Hitachi Water Solutions Co., Ltd.
LG Innotek Co., Ltd.	LG Innotek Co., Ltd.
Hanuri Co., Ltd.	Hanuri Co., Ltd.
Qingdao LG Inspur Digital Communication Co., Ltd.	Qingdao LG Inspur Digital Communication Co., Ltd.
-	LG Innotek Poland Sp. z o.o.
-	LG Innotek (Guangzhou) Co., Ltd.
-	LG Innotek Huizhou Co., Ltd
-	LG Innotek USA, Inc.
LG Electronics Wroclaw Sp. z o.o.	LG Electronics Wroclaw Sp. z o.o.
LG Electronics Vietnam Co., Ltd.	LG Electronics Vietnam Co., Ltd.
LG Electronics Reynosa, S.A. DE C.V.	LG Electronics Reynosa, S.A. DE C.V.
LG Electronics Thailand Co., Ltd.	LG Electronics Thailand Co., Ltd.
LG Electronics Taiwan Taipei Co., Ltd.	LG Electronics Taiwan Taipei Co., Ltd.

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued

<b>Classification</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
	LG Electronics Shenyang Inc.	LG Electronics Shenyang Inc.
	LG Electronics RUS, LLC	LG Electronics RUS, LLC
	LG Electronics Nanjing Display Co., Ltd.	LG Electronics Nanjing Display Co., Ltd.
	LG Electronics Mlawa Sp. z o.o.	LG Electronics Mlawa Sp. z o.o.
	LG Electronics Mexicali, S.A. DE C.V.	LG Electronics Mexicali, S.A. DE C.V.
	LG Electronics India Pvt. Ltd.	LG Electronics India Pvt. Ltd.
	LG Electronics do Brasil Ltda.	LG Electronics do Brasil Ltda.
	LG Electronics Air-Conditioning (Shandong) Co., Ltd.	LG Electronics Air-Conditioning (Shandong) Co., Ltd.
	LG Electronics (Kunshan) Computer Co., Ltd.	LG Electronics (Kunshan) Computer Co., Ltd.
	-	LG Electronics (Hangzhou) Co., Ltd.
	-	LG Electronics Polska Sp. z o.o.
	-	LG Electronics Philippines Inc.
	LG Electronics Singapore PTE LTD.	LG Electronics Singapore PTE LTD.
	Inspur LG Digital Mobile Communications Co., Ltd.	Inspur LG Digital Mobile Communications Co., Ltd.
	Hi Logistics Europe B.V.	Hi Logistics Europe B.V.
	Hi Logistics (China) Co., Ltd.	Hi Logistics (China) Co., Ltd.
	-	LG Electronics Alabama Inc.
	LG Electronics Japan, Inc.	LG Electronics Japan, Inc.

Edgar Filing: LG Display Co., Ltd. - Form 6-K

LG Electronics U.S.A., Inc.	LG Electronics U.S.A., Inc.
LG Electronics Vietnam	LG Electronics Vietnam
Haiphong Co., Ltd.	Haiphong Co., Ltd.
P.T. LG Electronics Indonesia	P.T. LG Electronics Indonesia
Hientech (Tianjin) Co., Ltd.	Hientech (Tianjin) Co., Ltd.
Hi M Solutek	Hi M Solutek



**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued

## (b) Key management personnel compensation

Compensation costs of key management for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

<i>(In millions of won)</i>	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Short-term benefits	₩ 739	735	1,497	1,180
Expenses related to the defined benefit plan	161	145	232	214
	₩ 900	880	1,729	1,394

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

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued

- (c) Significant transactions such as sales of goods and purchases of raw material and outsourcing service and others, which occurred in the normal course of business with related parties for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

*(In millions of won)***For the three-month period ended June 30, 2015**

	<b>Sales and others</b>	<b>Dividend income</b>	<b>Purchase of raw material and others</b>	<b>Acquisition of property, plant and equipment</b>	<b>Purchase and others Outsourcing fees</b>	<b>Other costs</b>
<b>Joint Venture</b>						
Suzhou Raken Technology Co., Ltd.	₩ 57,125					
<b>Associates and their subsidiaries</b>						
New Optics Ltd.	₩ 1		303		300	200
New Optics USA, Inc					17,938	
LIG INVENIA Co., Ltd. (LIG ADP Co., Ltd)			19	16,630		
TLI Inc.			19,681			32
AVACO Co., Ltd.			451	17,041		1,257
AVATEC Co., Ltd.			148		806	667
AVATEC Electronics Yantai Co., Ltd.						140
Paju Electric Glass Co., Ltd.			108,164			804
Shinbo Electric Co., Ltd.	83,782		106,196		18,577	14
Narenanotech Corporation			35	2,836		141
Glonix Co., Ltd.			793			12
ADP System Co., Ltd.			1,345	364		90
YAS Co., Ltd.			140	3,134		223
	₩ 83,783		237,275	40,005	37,621	3,580



**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)***For the three-month period ended June 30, 2015**

	<b>Sales and others</b>	<b>Dividend income</b>	<b>Purchase of raw material and others</b>	<b>Acquisition of property, plant and equipment</b>	<b>Purchase and others Outsourcing fees</b>	<b>Other costs</b>
<b>Entity that has significant influence over the Company</b>						
LG Electronics Inc.	₩ 409,561		12,476	85,427		70,433
<b>Subsidiaries of the entity that has significant influence over the Controlling Company</b>						
LG Electronics India Pvt. Ltd.	₩ 36,604					39
LG Electronics Vietnam Haiphong Co Ltd.	25,868					
LG Electronics Thailand Co., Ltd.						160
LG Electronics Nanjing Display Co., Ltd.	35,520					287
LG Electronics RUS, LLC	18,932					92
LG Electronics do Brasil Ltda.	94,444					124
LG Electronics (Kunshan)						
Computer Co., Ltd	762					
LG Innotek Co., Ltd.	999		70,167			5,480
Qingdao LG Inspur Digital Communication Co., Ltd.	80,037					
Inspur LG Digital Mobile Communications Co., Ltd.	71,743					
LG Electronics Mexicali, S.A. DE C.V	30,107					
LG Electronics Mlawa Sp. z o.o.	87,270					290
LG Electronics Shenyang Inc.	32,840					4



**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)*

For the three-month period ended June 30, 2015

		Purchase and others					
		Purchase of raw material and others		Acquisition of property, plant and equipment		Outsourcing fees	Other costs
	Sales and others	Dividend income					
LG Electronics Taiwan Taipei Co., Ltd.	₩ 2,714						
LG Electronics Wroclaw Sp. z o.o.	88,495						
LG Hitachi Water Solutions Co., Ltd				11,370			381
LG Electronics Reynosa, S.A. DE C.V.	179,790						8
HiEntech Co., Ltd.							6,043
Hi Business Logistics Co., Ltd.	10						7,012
Others	13						5,187
	₩ 786,148		70,167	11,370			25,107
	₩ 1,336,617		319,918	136,802	37,621		99,120

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

**19. Related Parties, Continued***(In millions of won)***For the six-month period ended June 30, 2015**

	<b>Sales and others</b>	<b>Dividend income</b>	<b>Purchase of raw material and others</b>	<b>Purchase and others of property, plant and equipment</b>	<b>Outsourcing fees</b>	<b>Other costs</b>
<b>Joint Venture</b>						
Suzhou Raken Technology Co., Ltd.	₩ 96,214					
<b>Associates and their subsidiaries</b>						
New Optics Ltd.	₩ 1		21,208		2,979	303
New Optics USA, Inc					20,905	
LIG INVENIA Co., Ltd. (LIG ADP Co., Ltd)			25	23,701		
TLI Inc.		101	38,254			259
AVACO Co., Ltd.		128	788	43,184		2,416
AVATEC Co., Ltd.		530	278		14,740	687
AVATEC Electronics Yantai Co., Ltd.						767
Paju Electric Glass Co., Ltd.		24,058	215,685			1,071
Shinbo Electric Co., Ltd.	183,500		253,106		46,638	54
Narenanotech Corporation			204	6,440		407
Glonix Co., Ltd.			4,192			35
ADP System Co., Ltd.			1,676	1,953		260
YAS Co., Ltd.			185	11,133		363
	₩ 183,501	24,817	535,601	86,411	85,262	6,622
<b>Entity that has significant influence over the Company</b>						
LG Electronics Inc.	₩ 951,612		31,949	142,655		84,699

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)*

**For the six-month period ended June 30, 2015**

**Purchase and others**

**Acquisition of**

**Purchase of property, plant**

**Sales Dividend and Outsourcing**

**and others income others equipment fees Other costs**

**Subsidiaries of the entity that has significant influence over the Controlling Company**

LG Electronics India Pvt. Ltd.	₩ 79,044			39
LG Electronics Vietnam Haiphong Co Ltd.	48,463			
LG Electronics Thailand Co., Ltd.	12,902			160
LG Electronics Nanjing Display Co., Ltd.	102,506			605
LG Electronics RUS, LLC	89,313			92
LG Electronics do Brasil Ltda.	242,883			299
LG Electronics (Kunshan) Computer Co., Ltd	9,282			
LG Innotek Co., Ltd.	2,237	159,909		11,275
Qingdao LG Inspur Digital Communication Co., Ltd.	238,618			
Inspur LG Digital Mobile Communications Co., Ltd.	26,791			
LG Electronics Mexicali, S.A. DE C.V.	94,703			
LG Electronics Mlawa Sp. z o.o.	267,692			290
LG Electronics Shenyang Inc.	62,009			4
LG Electronics Taiwan Taipei Co., Ltd.	8,610			
LG Electronics Wroclaw Sp. z o.o.	254,119			29
LG Hitachi Water Solutions Co., Ltd			17,417	381
LG Electronics Reynosa, S.A. DE C.V.	396,495			8
HiEntech Co., Ltd.				12,825



**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)*

	For the six-month period ended June 30, 2015					
	Sales and others	Dividend income	Purchase of raw material and others	Acquisition of property, plant and equipment	Purchase and others Outsourcing fees	Other costs
Hi Business Logistics Co., Ltd.	₩ 20					15,213
Others	13		1			8,198
	₩ 1,935,700		159,910	17,417		49,418
	₩ 3,167,027	24,817	727,460	246,483	85,262	140,739

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)***For the three-month period ended June 30, 2014****Purchase and others****Purchase of material and acquisition of property, plant and equipment**

	<b>Sales and others</b>	<b>Dividend income</b>	<b>and others</b>	<b>and Outsourcing fees</b>	<b>Other costs</b>
<b>Joint Venture</b>					
Suzhou Raken Technology Co., Ltd.	₩ 58,009			35,969	
<b>Associates and their subsidiaries</b>					
New Optics Ltd.	₩		13,328	2,687	87
LIG INVENIA Co., Ltd. (LIG ADP Co., Ltd)			136	7,765	
TLI Inc.			18,758		1,228
AVACO Co., Ltd.			321	10,516	1,271
AVATEC Co., Ltd.		265	26	15,124	2
AVATEC Electronics Yantai Co., Ltd.					1,143
Paju Electric Glass Co., Ltd.			164,317		328
Shinbo Electric Co., Ltd.	17,924		150,668	23,236	1
Narenanotech Corporation		180	55	5,789	260
Glonix Co., Ltd.			6,784		66
ADP System Co., Ltd.			385	347	136
YAS Co., Ltd.			33	2,298	112
	₩ 17,924	445	354,811	26,715	4,634
<b>Entity that has significant influence over the Company</b>					
LG Electronics Inc.	₩ 510,202		16,220	71,244	12,533

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)*

	<b>For the three-month period ended June 30, 2014</b>				
	<b>Purchase of material</b>		<b>Acquisition of property, plant and equipment</b>		<b>Outsourcing fees</b>
	<b>Sales and others</b>	<b>Dividend income</b>	<b>and others</b>	<b>and</b>	<b>Other costs</b>
<b>Subsidiaries of the entity that has significant influence over the Controlling Company</b>					
LG Electronics India Pvt. Ltd.	₩ 32,434				
LG Electronics Vietnam Co., Ltd.	12,458				
LG Electronics Thailand Co., Ltd.	13,311				
LG Electronics Nanjing Display Co., Ltd.	90,502				406
LG Electronics RUS, LLC	112,817				
LG Electronics do Brasil Ltda.	63,080				100
Hi Business Logistics Co., Ltd.	10				6,829
LG Innotek Co., Ltd.	765		130,964		4,008
LG Hitachi Water Solutions Co., Ltd				8,753	
Qingdao LG Inspur Digital Communication Co., Ltd.	37,692				
Inspur LG Digital Mobile Communications Co., Ltd.	21,805				
LG Electronics Mexicali, S.A. DE C.V.	47,344				
LG Electronics Mlawa Sp. z o.o.	127,784				
LG Electronics Shenyang Inc.	42,712				
LG Electronics Taiwan Taipei Co., Ltd.	4,841				
LG Electronics Reynosa, S.A. DE C.V.	229,788				182
LG Electronics Wroclaw Sp. z o.o.	150,429				16
HiEntech Co., Ltd.					5,692

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)***For the three-month period ended June 30, 2014**

	<b>Purchase and others</b>					
	<b>Sales and others</b>	<b>Dividend income</b>	<b>Purchase of raw material and others</b>	<b>Acquisition of property, plant and equipment</b>	<b>Outsourcing fees</b>	<b>Other costs</b>
Others	₩ 4,710					1,987
	₩ 992,482		130,964	8,753		19,220
	₩ 1,578,617	445	501,995	106,712	77,016	36,387

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

**19. Related Parties, Continued***(In millions of won)***For the six-month period ended June 30, 2014****Purchase and others****Purchase of material property, plant and acquisition of equipment**

	<b>Sales and others</b>	<b>Dividend income</b>	<b>and others</b>	<b>and equipment</b>	<b>Outsourcing fees</b>	<b>Other costs</b>
<b>Joint Venture</b>						
Suzhou Raken Technology Co., Ltd.	₩ 112,829				64,389	
<b>Associates and their subsidiaries</b>						
New Optics Ltd.	₩		25,001		5,093	738
LIG INVENIA Co., Ltd. (LIG ADP Co., Ltd)			409	13,388		7
TLI Inc.			33,768			1,855
AVACO Co., Ltd.	41		591	81,108		1,615
AVATEC Co., Ltd.		265	40		29,284	45
AVATEC Electronics Yantai Co., Ltd.						2,611
Paju Electric Glass Co., Ltd.			343,184			1,405
Shinbo Electric Co., Ltd.	22,866		322,805		48,199	38
Narenanotech Corporation		180	101	6,701		1,017
Glonix Co., Ltd.			11,186			180
ADP System Co., Ltd.			565	555		165
YAS Co., Ltd.			437	4,307		140
	₩ 22,907	445	738,087	106,059	82,576	9,816
<b>Entity that has significant influence over the Company</b>						
LG Electronics Inc.	₩ 1,051,489		23,050	110,087		18,299

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)*

For the six-month period ended June 30, 2014

	Sales and others	Dividend and income	Purchase of material and others	Acquisition of property, plant and equipment	Outsourcing fees	Other costs
<b>Subsidiaries of the entity that has significant influence over the Controlling Company</b>						
LG Electronics India Pvt. Ltd.	₩ 51,148					
LG Electronics Vietnam Co., Ltd.	22,128					
LG Electronics Thailand Co., Ltd.	25,950					
LG Electronics Nanjing Display Co., Ltd.	217,379					406
LG Electronics RUS, LLC	211,919					
LG Electronics do Brasil Ltda.	195,458					173
Hi Business Logistics Co., Ltd.	20					14,168
LG Innotek Co., Ltd.	1,498		246,201			6,504
LG Hitachi Water Solutions Co., Ltd				19,054		
Qingdao LG Inspur Digital Communication Co., Ltd.	69,535					
Inspur LG Digital Mobile Communications Co., Ltd.	51,677					
LG Electronics Mexicali, S.A. DE C.V.	95,307					
LG Electronics Mlawa Sp. z o.o.	221,179					
LG Electronics Shenyang Inc.	65,822					
LG Electronics Taiwan Taipei Co., Ltd.	10,825					
LG Electronics Reynosa, S.A. DE C.V.	426,370					268
LG Electronics Wroclaw Sp. z o.o.	369,624					31

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)*For the six-month period ended June 30, 2014  
Purchase and others

Purchase of raw

material

	Sales and others	Dividend income	and others	Acquisition of property, plant and equipment	Outsourcing fees	Other costs
HiEntech Co., Ltd.	₩					11,823
Others	4,821		804			3,403
	₩ 2,040,660		247,005	19,054		36,776
	₩ 3,227,885	445	1,008,142	235,200	146,965	64,891

(d) Trade accounts and notes receivable and payable as of June 30, 2015 and December 31, 2014 are as follows:

*(In millions of won)*Trade accounts and notes receivable and others  
Trade accounts and notes payable and others

June 30, 2015 December 31, 2014 June 30, 2015 December 31, 2014

**Joint Venture**

Suzhou Raken Technology Co., Ltd.	₩ 47,981	27,750		
Global OLED Technology LLC(*)				505
	₩ 47,981	27,750		505

**Associates and their subsidiaries**

New Optics Ltd.	₩ 1	440	10,611	14,785
New Optics USA, Inc			13,069	
LIG INVENIA Co., Ltd. (LIG ADP Co., Ltd.)			15,369	2,471
TLI Inc.			13,430	14,086





**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)*

	Trade accounts and notes receivable and others		Trade accounts and notes payable and others	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
AVACO Co., Ltd.			20,530	14,236
AVATEC Co., Ltd.			6,638	10,645
AVATEC Electronics Yantai Co., Ltd.				247
Paju Electric Glass Co., Ltd.	4,038		75,860	82,792
Shinbo Electric Co., Ltd.	91,943	58,207	74,169	113,660
Narenanotech Corporation			3,771	1,532
Glonix Co., Ltd.			13	1,752
ADP System Co., Ltd.			1,971	1,941
YAS Co., Ltd.			3,064	7,300
	₩ 95,982	58,647	238,495	265,447
<b>Entity that has significant influence over the Company</b>				
LG Electronics Inc.	₩ 429,720	385,403	204,138	114,291
<b>Subsidiaries of the entity that has significant influence over the Controlling Company</b>				
LG Electronics India Pvt. Ltd.	₩ 13,292	13,825		
LG Electronics do Brasil Ltda.	31,156	12,011		97
LG Electronics Thailand Co., Ltd.		17,792		
LG Electronics RUS, LLC	14,291	71,912		
LG Innotek Co., Ltd.	2	4	77,542	88,661
Qingdao LG Inspur Digital Communication Co., Ltd.	110,948	68,754		
Inspur LG Digital Mobile Communications Co., Ltd.	19,739	44,872		
LG Electronics Mexicali, S.A. DE C.V.	8,319	5,389		
LG Electronics Mlawa Sp. z o.o.	62,870	68,397		
LG Electronics Nanjing Display Co., Ltd.	26,587	23,342	17	575



**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)*

	Trade accounts and notes receivable and others		Trade accounts and notes payable and others	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
LG Electronics Shenyang Inc.	₩ 23,315	15,659		
LG Electronics Reynosa, S.A. DE C.V.	76,489	34,668		94
LG Electronics Wroclaw Sp. z o.o.	61,799	13,742		
LG Hitachi Water Solutions Co., Ltd.			16,136	7,079
Hi Entech Co., Ltd.			5,346	5,954
LG Electronics Vietnam Haiphong Co Ltd.	16,825			
Others	2,009	23,124	4,865	5,540
	₩ 467,621	413,491	103,906	108,000
	₩ 1,041,304	885,291	546,539	488,243

(\*) The Controlling Company acquired additional ownership in Global OLED Technology and classified it as subsidiaries as of June 30, 2015.

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

**20. Geographic and Other Information**

The following is a summary of sales by region based on the location of the customers for the three-month and six-month periods ended June 30, 2015 and 2014.

## (a) Revenue by geography

*(In millions of won)*

Region	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2015	2014	2015	2014
Domestic	₩ 518,322	665,728	1,243,341	1,310,425
Foreign				
China	4,618,105	3,286,064	9,038,124	6,322,790
Asia (excluding China)	733,677	861,917	1,402,598	1,598,699
United States	430,984	486,818	976,366	971,079
Europe (excluding Poland)	205,502	349,910	494,229	699,425
Poland	200,995	337,603	575,276	664,320
Sub total	₩ 6,189,263	5,313,312	12,486,593	10,256,313
	₩ 6,707,585	5,979,040	13,729,934	11,566,738

Sales to Company A and Company B constituted 30% and 25% of total revenue, respectively, for the six-month period ended June 30, 2015 (the six-month period ended June 30, 2014: 21% and 29%). The Group's top ten end-brand customers together accounted for 81% of sales for the six-month period ended June 30, 2015 (the six-month period ended June 30, 2014: 78%).

## (b) Non-current assets by geography

*(In millions of won)*

Region	June 30, 2015	December 31, 2014
--------	---------------	-------------------

	<b>Property, plant and equipment</b>	<b>Intangible assets</b>	<b>Property, plant and equipment</b>	<b>Intangible assets</b>
Domestic	₩ 8,114,121	479,632	8,699,862	548,086
Foreign				
China	2,628,180	18,445	2,588,511	20,954
Others	103,886	208,123	114,493	7,630
Sub total	2,732,066	226,568	2,703,004	28,584
Total	₩ 10,846,187	706,200	11,402,866	576,670

**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

20. Geographic and Other Information, Continued

## (c) Revenue by product

*(In millions of won)*

<b>Product</b>	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Panels for:				
TFT-LCD televisions	₩ 2,673,448	2,498,858	5,567,981	4,782,454
Desktop monitors	1,061,345	1,249,142	2,264,546	2,371,947
Tablet products	440,949	539,570	999,322	1,123,884
Notebook computers	614,102	701,541	1,249,641	1,379,051
Mobile and others	1,917,741	989,929	3,648,444	1,909,402
	₩ 6,707,585	5,979,040	13,729,934	11,566,738

21. Income Taxes

(a) Details of income tax expense for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

<b>(In millions of won)</b>	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Current tax expense	₩ 49,960	6,683	168,762	35,910
Deferred tax expense	94,400	30,186	123,611	111,525
Income tax expense	₩ 144,360	36,869	292,373	147,435



**Table of Contents****LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

21. Income Taxes, Continued

## (b) Deferred Tax Assets and Liabilities

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the deferred tax assets at the reporting date will be realized with the Group's estimated future taxable income.

Deferred tax assets and liabilities as of June 30, 2015 and December 31, 2014 are attributable to the following:

*(In millions of won)*

	Assets		Liabilities		Total	
	June 30, 2015	December, 31, 2014	June 30, 2015	December, 31, 2014	June 30, 2015	December, 31, 2014
Other accounts receivable, net	₩		(1,839)	(3,440)	(1,839)	(3,440)
Inventories, net	34,157	46,377			34,157	46,377
Available-for-sale financial assets			(95)	(88)	(95)	(88)
Defined benefit liabilities, net	72,736	112,213			72,736	112,213
Investments in equity accounted investees and subsidiaries	22,146	29,839			22,146	29,839
Accrued expenses	130,661	177,163			130,661	177,163
Property, plant and equipment	265,745	236,848			265,745	236,848
Intangible assets	1,761	1,423	(33,345)		(31,584)	1,423
Provisions	13,456	12,710			13,456	12,710
Gain or loss on foreign currency translation, net	13	169	(1)	(1)	12	168
Others	19,812	26,212		(268)	19,812	25,944
Tax credit carryforwards	387,973	397,105			387,973	397,105
Deferred tax assets (liabilities)	₩ 948,460	1,040,059	(35,280)	(3,797)	913,180	1,036,262

Statutory tax rate applicable to the Controlling Company is 24.2% for the six-month period ended June 30, 2015.



Table of Contents**LG DISPLAY CO., LTD. AND SUBSIDIARIES**

## Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

22. Earnings Per Share

- (a) Basic earnings per share for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

<i>(In won and number of shares)</i>	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Profit for the period</b>	₩ 334,995,942,035	258,327,820,947	793,220,044,529	178,376,602,439
Weighted-average number of common stocks outstanding	357,815,700	357,815,700	357,815,700	357,815,700
<b>Earnings per share</b>	₩ 936	722	2,217	499

For the three-month and six-month periods ended June 30, 2015 and 2014, there were no events or transactions that resulted in changes in the number of common stocks used for calculating earnings per share.

- (b) Diluted earnings per share are not calculated since there was no potential common stock for the three-month and six-month periods ended June 30, 2015 and 2014.

23. Business Combinations

The Controlling Company invested additional ₩111,040 million and acquired 67% ownership from Global OLED Technology LLC in order to expand OLED IP Portfolio. In 2015, the Controlling Company's ownership percentage increased from 33% to 100% and control was transferred to the Controlling Company. The Controlling Company measured the identifiable assets acquired and the liabilities assumed at their acquisition-date fair value. The entire consideration transferred for the acquisitions was paid in cash.

The fair value of the consideration transferred, assets acquired and liabilities assumed are as follows:

<i>(In millions of won)</i>	<b>Amount</b>
Consideration transferred	₩ 111,040
Fair value of previously held ownership	54,025
<b>Identifiable assets acquired and the liabilities assumed:</b>	
Cash and cash equivalents	947
Other current assets	478
Intangible assets, net(*)	168,301
Other non-current assets	104
Current liabilities	(1,768)
Non-current liabilities	(4)
Deferred tax liabilities	(33,930)
Identifiable net asset	134,128
Goodwill	30,937

(\*) Intangible assets are measured at fair value using the multi-period excess earnings method and considering the present value of expected net cash flow from patents.

**Table of Contents**

**LG DISPLAY CO., LTD. AND SUBSIDIARIES**

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

23. Business Combinations, Continued

The revenue and loss of Global OLED Technology LLC for the period from the beginning of the reporting period to the acquisition date are ₩3,418 million and ₩4,235 million, respectively, and the amount of the loss included in the consolidated statement of comprehensive income (loss) for the six-month periods ended June 30, 2015 is ₩1,432 million. In addition, acquisition-related costs, such as legal consulting and accounting valuation fees amounting to ₩28 million are expensed.

The Controlling Company recognized previously held 33% ownership amounting to ₩22,336 million in Global OLED Technology LLC for the difference between the acquisition amount and the fair value as finance income in the consolidated statements of comprehensive income (loss) for the six-month periods ended June 30, 2015.

**Table of Contents**

LG DISPLAY CO., LTD.

Condensed Separate Interim Financial Statements

(Unaudited)

**June 30, 2015 and 2014**

(With Independent Auditors' Review Report Thereon)

85

**Table of Contents**

**Table of Contents**

	<b>Page</b>
<u>Independent Auditors' Review Report</u>	87
<u>Condensed Separate Interim Statements of Financial Position</u>	89
<u>Condensed Separate Interim Statements of Comprehensive Income</u>	90
<u>Condensed Separate Interim Statements of Changes in Equity</u>	91
<u>Condensed Separate Interim Statements of Cash Flows</u>	92
<u>Notes to the Condensed Separate Interim Financial Statements</u>	124

**Table of Contents**

**Independent Auditors' Review Report**

Based on a report originally issued in Korean

To the Board of Directors and Shareholders

LG Display Co., Ltd.:

***Reviewed Financial Statements***

We have reviewed the accompanying condensed separate interim financial statements of LG Display Co., Ltd. (the Company) which comprise the condensed separate interim statement of financial position as of June 30, 2015, the condensed separate interim statements of comprehensive income for each of the three-month and six-month periods ended June 30, 2015 and 2014, and statements of changes in equity and cash flows for the six-month periods ended June 30, 2015 and 2014, and notes, comprising a summary of significant accounting policies and other explanatory information.

***Management's Responsibility for the Condensed Separate Interim Financial Statements***

Management is responsible for the preparation and fair presentation of these condensed separate interim financial statements in accordance with Korean International Financial Reporting Standards No. 1034, *Interim Financial Reporting*, and for such internal controls as management determines necessary to enable the preparation of condensed separate interim financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to issue a report on these condensed separate interim financial statements based on our reviews.

We conducted our reviews in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Security and Futures Commission of the Republic of Korea. A review of interim financial information consists principally of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of Korea and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Conclusion***

Based on our reviews, nothing has come to our attention that causes us to believe that the condensed separate interim financial statements referred to above are not presented fairly, in all material respects, in accordance with Korean International Financial Reporting Standards No. 1034, *Interim Financial Reporting*.

***Emphasis of Matter***

As discussed in note 17 to the separate financial statements, the Company has been or is named as defendants in a number of individual lawsuits and class actions in the United States and Canada, respectively, in connection with alleged antitrust violations concerning the sale of LCD panels. The Company estimated and recognized losses related to these alleged violations. 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.

**Table of Contents**

***Other Matters***

The procedures and practices utilized in the Republic of Korea to review such condensed separate interim financial statements may differ from those generally accepted and applied in other countries.

We audited the separate statement of financial position as of December 31, 2014, and the related separate statements of comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this review report, in accordance with Korean Standards on Auditing, and our report thereon, dated February 17, 2015, expressed an unqualified opinion. The accompanying condensed separate statement of financial position of the Company as of December 31, 2014, presented for comparative purposes, is not different from that audited by us from which it was derived in all material respects.

/s/ KPMG Samjong Accounting Corp.  
Seoul, Korea  
August 4, 2015

This report is effective as of August 4, 2015, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying condensed separate interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.



**Table of Contents**

LG DISPLAY CO., LTD.

**Condensed Separate Interim Statements of Financial Position**

(Unaudited)

As of June 30, 2015 and December 31, 2014

<i>(In millions of won)</i>	Note	June 30, 2015	December 31, 2014
<b>Assets</b>			
Cash and cash equivalents	9	₩ 183,209	100,558
Deposits in banks	9	1,385,970	1,525,609
Trade accounts and notes receivable, net	9, 16, 19	3,551,338	4,015,904
Other accounts receivable, net	9	116,108	396,651
Other current financial assets	9	2,974	2,569
Inventories	5	2,045,357	2,046,675
Other current assets		211,540	203,122
<b>Total current assets</b>		<b>7,496,496</b>	<b>8,291,088</b>
Deposits in banks	9	13	8,427
Investments	6	2,577,979	2,301,881
Other non-current financial assets	9	27,272	27,609
Property, plant and equipment, net	7	8,114,027	8,700,301
Intangible assets, net	8	479,626	548,078
Deferred tax assets	20	788,117	883,965
Other non-current assets		286,002	250,488
<b>Total non-current assets</b>		<b>12,273,036</b>	<b>12,720,749</b>
<b>Total assets</b>		<b>₩ 19,769,532</b>	<b>21,011,837</b>
<b>Liabilities</b>			
Trade accounts and notes payable	9, 19	₩ 2,941,778	3,989,505
Current financial liabilities	9, 10	1,085,263	964,122
Other accounts payable	9, 19	1,278,321	1,057,485
Accrued expenses		632,891	708,664
Income tax payable		77,031	142,760
Provisions	17	114,026	193,429
Advances received	16	127,184	463,740
Other current liabilities		42,792	30,625
<b>Total current liabilities</b>		<b>6,299,286</b>	<b>7,550,330</b>
Non-current financial liabilities	9, 10	2,216,237	2,484,280
Non-current provisions		11,047	8,014

Edgar Filing: LG Display Co., Ltd. - Form 6-K

Defined benefit liabilities, net	14	282,957	323,710
Other non-current liabilities		13,311	21,428
<b>Total non-current liabilities</b>		<b>2,523,552</b>	<b>2,837,432</b>
<b>Total liabilities</b>		<b>8,822,838</b>	<b>10,387,762</b>
<b>Equity</b>			
Share capital	18	1,789,079	1,789,079
Share premium		2,251,113	2,251,113
Reserves	18	299	276
Retained earnings		6,906,203	6,583,607
<b>Total equity</b>		<b>10,946,694</b>	<b>10,624,075</b>
<b>Total liabilities and equity</b>		<b>₩ 19,769,532</b>	<b>21,011,837</b>

*See accompanying notes to the condensed separate interim financial statements.*

**Table of Contents**

LG DISPLAY CO., LTD.

**Condensed Separate Interim Statements of Comprehensive Income**

(Unaudited)

For the three-month and six-month periods ended June 30, 2015 and 2014

<i>(In millions of won, except earnings per share)</i>	Note	For the three-month period ended June 30		For the six-month period ended June 30	
		2015	2014	2015	2014
Revenue	19	₩ 6,055,644	5,612,803	₩ 12,405,120	11,146,937
Cost of sales	5, 11, 19	(5,299,128)	(5,062,521)	(10,596,122)	(10,122,318)
<b>Gross profit</b>		756,516	550,282	1,808,998	1,024,619
Selling expenses	12	(122,162)	(98,780)	(256,551)	(193,248)
Administrative expenses	12	(104,423)	(95,314)	(215,040)	(188,554)
Research and development expenses		(313,416)	(259,925)	(594,227)	(548,241)
<b>Operating profit</b>		216,515	96,263	743,180	94,576
Finance income	15	33,175	46,338	70,236	52,215
Finance costs	15	(40,459)	(43,121)	(69,468)	(82,875)
Other non-operating income	13	207,572	292,466	381,440	426,384
Other non-operating expenses	13	(184,740)	(179,422)	(456,878)	(351,463)
<b>Profit before income tax</b>		232,063	212,524	668,510	138,837
Income tax expense	20	(63,558)	(29,420)	(165,233)	(104,725)
<b>Profit for the period</b>		168,505	183,104	503,277	34,112
<b>Other comprehensive income (loss)</b>					
<b>Items that will never be reclassified to profit or loss</b>					
Remeasurements of net defined benefit liabilities	14	(980)	(663)	(2,339)	(3,573)
Related income tax		237	161	566	865
		(743)	(502)	(1,773)	(2,708)
<b>Items that are or may be reclassified to profit or loss</b>					
Net change in fair value of available-for-sale financial assets	15	14	896	30	402

Related income tax		(3)	(216)	(7)	(97)	
		11	680	23	305	
<b>Other comprehensive income (loss) for the period, net of income tax</b>		(732)	178	(1,750)	(2,403)	
<b>Total comprehensive income for the period</b>		<b>₩ 167,773</b>	<b>183,282</b>	<b>₩ 501,527</b>	<b>31,709</b>	
<b>Earnings per share (In Won)</b>						
Basic earnings per share	21	₩	471	512	₩ 1,407	95
Diluted earnings per share	21	₩	471	512	₩ 1,407	95

*See accompanying notes to the condensed separate interim financial statements.*

**Table of Contents**

LG DISPLAY CO., LTD.

**Condensed Separate Interim Statements of Changes in Equity**

(Unaudited)

For the six-month periods ended June 30, 2015 and 2014

<i>(In millions of won)</i>	<b>Share capital</b>	<b>Share premium</b>	<b>Fair value reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>Balances at January 1, 2014</b>	₩ 1,789,079	2,251,113	(305)	5,722,538	9,762,425
<b>Total comprehensive income for the period</b>					
Profit for the period				34,112	34,112
<b>Other comprehensive income (loss)</b>					
Net change in fair value of available-for-sale financial assets, net of tax			305		305
Remeasurements of the net defined benefit liabilities, net of tax				(2,708)	(2,708)
Total other comprehensive income (loss)			305	(2,708)	(2,403)
Total comprehensive income for the period	₩		305	31,404	31,709
<b>Transaction with owners, recognized directly in equity</b>					
<b>Balances at June 30, 2014</b>	₩ 1,789,079	2,251,113		5,753,942	9,794,134
<b>Balances at January 1, 2015</b>	₩ 1,789,079	2,251,113	276	6,583,607	10,624,075
<b>Total comprehensive income for the period</b>					
Profit for the period				503,277	503,277
<b>Other comprehensive income (loss)</b>					
Net change in fair value of available-for-sale financial assets, net of tax			23		23
Remeasurements of the net defined benefit liabilities, net of tax				(1,773)	(1,773)
Total other comprehensive income (loss)			23	(1,773)	(1,750)
Total comprehensive income for the period	₩		23	501,504	501,527

**Transaction with owners, recognized  
directly in equity**

Dividends to equity holders					(178,908)	(178,908)
-----------------------------	--	--	--	--	-----------	-----------

<b>Balances at June 30, 2015</b>	<b>₩</b>	<b>1,789,079</b>	<b>2,251,113</b>	<b>299</b>	<b>6,906,203</b>	<b>10,946,694</b>
----------------------------------	----------	------------------	------------------	------------	------------------	-------------------

*See accompanying notes to the condensed separate interim financial statements.*

**Table of Contents**

LG DISPLAY CO., LTD.

**Condensed Separate Interim Statements of Cash Flows**

(Unaudited)

For the six-month periods ended June 30, 2015 and 2014

<i>(In millions of won)</i>	Note	2015	2014
<b>Cash flows from operating activities:</b>			
Profit for the period		₩ 503,277	34,112
<b>Adjustments for:</b>			
Income tax expense	20	165,233	104,725
Depreciation	11	1,215,635	1,532,959
Amortization of intangible assets	11	189,798	113,709
Gain on foreign currency translation		(70,934)	(69,419)
Loss on foreign currency translation		62,517	33,712
Expenses related to defined benefit plans	14	99,383	108,820
Impairment loss on intangible assets		264	618
Gain on disposal of property, plant and equipment	7	(23,865)	(10,593)
Loss on disposal of property, plant and equipment	7	131	1,182
Finance income		(67,481)	(48,642)
Finance costs		66,893	71,525
Other income		(1,210)	(42,011)
Other expenses		170,620	69,644
		1,806,984	1,866,229
Change in trade accounts and notes receivable		197,167	193,309
Change in other accounts receivable		(3,496)	(2,688)
Change in other current assets		5,612	(49,162)
Change in inventories		1,318	101,498
Change in other non-current assets		(59,681)	(64,911)
Change in trade accounts and notes payable		(1,100,147)	(815,996)
Change in other accounts payable		(242,741)	(484,347)
Change in accrued expenses		(34,687)	(4,427)
Change in other current liabilities		2,458	(13,000)
Change in other non-current liabilities		431	16,085
Change in provisions		(49,419)	(53,698)
Change in defined benefit liabilities, net		(142,473)	(102,039)
		(1,425,658)	(1,279,376)
Cash generated from operating activities		884,603	620,965
Income taxes refund (paid)		(134,557)	13,493
Interests received		24,725	10,972

Interests paid		(56,679)	(93,073)
<b>Net cash provided by operating activities</b>		<b>₩ 718,092</b>	<b>552,357</b>

*See accompanying notes to the condensed separate interim financial statements.*



**Table of Contents**

LG DISPLAY CO., LTD.

**Condensed Separate Interim Statements of Cash Flows, Continued**

(Unaudited)

For the six-month periods ended June 30, 2015 and 2014

<i>(In millions of won)</i>	<b>2015</b>	<b>2014</b>
<b>Cash flows from investing activities:</b>		
Dividends received	₩ 329,245	727
Proceeds from withdrawal of deposits in banks	1,339,805	768,176
Increase in deposits in banks	(1,191,752)	(437,000)
Acquisition of investments	(274,037)	(338,649)
Proceeds from disposal of investments	20,590	6,972
Acquisition of property, plant and equipment	(620,432)	(637,916)
Proceeds from disposal of property, plant and equipment	230,007	46,051
Acquisition of intangible assets	(131,489)	(166,299)
Government grants received	2,511	2,006
Proceeds from disposal of other current financial assets	92	
Acquisition of other non-current financial assets	(46)	(751)
Proceeds from disposal of other non-current financial assets	533	15,327
<b>Net cash used in investing activities</b>	<b>(294,973)</b>	<b>(741,356)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from short-term borrowings		659,266
Repayments of short-term borrowings	(219,839)	
Proceeds from issuance of debentures	298,778	298,783
Proceeds from long-term debt		66,105
Repayments of long-term debt		(503,618)
Repayments of current portion of long-term debt and debentures	(240,499)	(350,044)
Dividends paid	(178,908)	
<b>Net cash provided by (used in) financing activities</b>	<b>(340,468)</b>	<b>170,492</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>82,651</b>	<b>(18,507)</b>
Cash and cash equivalents at January 1	100,558	253,059
<b>Cash and cash equivalents at June 30</b>	<b>₩ 183,209</b>	<b>234,552</b>

See accompanying notes to the condensed separate interim financial statements.



---

**Table of Contents**

1. **Organization and Description of Business**

LG Display Co., Ltd. (the Company) was incorporated in February 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. The Company is a stock company ( Jusikhoesa ) domiciled in the Republic of Korea with its address at 128 Yeouidae-ro, Yeongdeungpo-gu, Seoul, the Republic of Korea. 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, in February 2008, the Company changed its name to LG Display Co., Ltd. considering the decrease of Philips 's share interest in the Company and the possibility of its business expansion to other display products including Organic Light Emitting Diode ( OLED ) and Flexible Display products. As of June 30, 2015, LG Electronics Inc. owns 37.9% (135,625,000 shares) of the Company 's common stock.

As of June 30, 2015, the Company has TFT-LCD manufacturing plants, an OLED manufacturing plant and a Research & Development Center in Paju and TFT-LCD manufacturing plants in Gumi. The Company has overseas subsidiaries located in North America, Europe and Asia.

The Company 's common stock is listed on the Korea Exchange under the identifying code 034220. As of June 30, 2015, there are 357,815,700 shares of common stock outstanding. The Company 's common stock is also listed on the New York Stock Exchange in the form of American Depository Shares ( ADSs ) under the symbol LPL . One ADS represents one-half of one share of common stock. As of June 30, 2015, there are 27,053,762 ADSs outstanding.

2. **Basis of Presenting Financial Statements**

(a) **Statement of Compliance**

The condensed separate interim financial statements have been prepared in accordance with Korean International Financial Reporting Standards ( K-IFRSs ) No.1034, *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company as of and for the year ended December 31, 2014.

These condensed interim financial statements are separate interim financial statements prepared in accordance with K-IFRS No.1027, *Separate Financial Statements*, presented by a parent, an investor in an associate or a venture in a joint ventures, in which the investments are accounted for on the basis of the direct equity interest rather than on the basis of the reported results and net assets of the investees.

**Table of Contents**

2. **Basis of Presenting Financial Statements, Continued**

(b) **Basis of Measurement**

The condensed separate interim financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

available-for-sale financial assets measured at fair value, and

liabilities for defined benefit plans are recognized as the present value of defined benefit obligations less the fair value of plan assets

(c) **Functional and Presentation Currency**

The condensed separate interim financial statements are presented in Korean won, which is the Company's functional currency. All amounts in Korean won are in millions unless otherwise stated.

(d) **Use of Estimates and Judgments**

The preparation of the condensed separate interim financial statements in conformity with K-IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed separate interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in its financial statements as of and for the year ended December 31, 2014.

3. **Summary of Significant Accounting Policies**

The significant accounting policies followed by the Company in the preparation of its condensed separate interim financial statements are the same as those followed by the Company in its preparation of the financial statements as of and for the year ended December 31, 2014.

**Table of Contents****4. Financial Risk Management**

The objectives and policies on financial risk management followed by the Company are consistent with those disclosed in the financial statements as of and for the year ended December 31, 2014.

**5. Inventories**

Inventories as of June 30, 2015 and December 31, 2014 are as follows:

<i>(In millions of won)</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Finished goods	₩ 692,735	653,610
Work-in-process	702,326	710,813
Raw materials	373,924	381,558
Supplies	276,372	300,694
	₩ 2,045,357	2,046,675

For the six-month periods ended June 30, 2015 and 2014, the amount of inventories recognized as cost of sales, inventory write-downs and reversal and usage of inventory write-downs included in cost of sales is as follows:

<i>(In millions of won)</i>	<b>2015</b>	<b>2014</b>
Inventories recognized as cost of sales	₩ 10,596,122	10,122,318
Including: inventory write-downs	406,469	197,362
Including: reversal and usage of inventory write-downs	(299,948)	(189,312)

**Table of Contents**6. Investments

(a) Investments in subsidiaries consist of the following:

*(In millions of won)*

Subsidiaries	Location	Business	June 30, 2015		December 31, 2014	
			Percentage of ownership	Book value	Percentage of ownership	Book Value
LG Display America, Inc.	San Jose, U.S.A.	Sell TFT-LCD products	100%	₩ 36,815	100%	₩ 36,815
LG Display Germany GmbH	Ratingen, Germany	Sell TFT-LCD products	100%	19,373	100%	19,373
LG Display Japan Co., Ltd.	Tokyo, Japan	Sell TFT-LCD products	100%	15,686	100%	15,686
LG Display Taiwan Co., Ltd.	Taipei, Taiwan	Sell TFT-LCD products	100%	35,230	100%	35,230
LG Display Nanjing Co., Ltd.	Nanjing, China	Manufacture and sell TFT-LCD products	100%	579,747	100%	579,747
LG Display Shanghai Co., Ltd.	Shanghai, China	Sell TFT-LCD products	100%	9,093	100%	9,093
LG Display Poland Sp. z o.o.	Wroclaw, Poland	Manufacture and sell TFT-LCD products	100%	194,992	100%	194,992
LG Display Guangzhou Co., Ltd.	Guangzhou, China	Manufacture and sell TFT-LCD products	100%	293,557	100%	293,557
LG Display Shenzhen Co., Ltd.	Shenzhen, China	Sell TFT-LCD products	100%	3,467	100%	3,467
LG Display Singapore Pte. Ltd.	Singapore	Sell TFT-LCD products	100%	1,250	100%	1,250
L&T Display Technology (Xiamen) Limited	Xiamen, China	Manufacture LCD module and LCD TV sets	51%		51%	
L&T Display Technology (Fujian) Limited	Fujian, China	Manufacture LCD module and LCD monitor sets	51%	10,123	51%	10,123
LG Display Yantai Co., Ltd.	Yantai, China	Manufacture and sell TFT-LCD	100%	159,769	100%	159,769

Edgar Filing: LG Display Co., Ltd. - Form 6-K

LG Display U.S.A., Inc.	McAllen, U.S.A.	products Manufacture and sell TFT-LCD products	100%	12,353	100%	12,353
Nanumnuri Co., Ltd.	Gumi, South Korea	Janitorial services	100%	800	100%	800
LG Display (China) Co., Ltd. (*1)	Guangzhou, China	Manufacture and sell TFT-LCD products	52%	723,086	56%	588,467

**Table of Contents**6. Investments, Continued*(In millions of won)*

Subsidiaries	Location	Business of ownership	June 30, 2015		December 31, 2014	
			Percentage	Book value	Percentage of ownership	Book value
Unified Innovative Technology, LLC	Wilmington, U.S.A.	Manage intellectual property	100%	9,489	100%	9,489
LG Display Guangzhou Trading Co., Ltd.(*2)	Guangzhou, China	Sell TFT-LCD products	100%	218		
Global OLED Technology LLC(*3)	Herndon, U.S.A.	Manage intellectual property	100%	164,322		
Money Market Trust(*4)	Seoul, South Korea	Money market trust	100%	27,800	100%	18,100
				<b>₩ 2,297,170</b>		<b>₩ 1,988,311</b>

(\*1) In January 2015, the Company contributed ₩134,619 million in cash for the capital increase of LG Display (China) Co., Ltd. ( LGDCA ). In addition, LG Display Guangzhou Co., Ltd. ( LGDGZ ) contributed ₩112,485 million in cash for the capital increase of LG Display (China) Co., Ltd. ( LGDCA ). The Company's ownership percentage in LGDCA decreased from 56% to 52% and LGDGZ's ownership percentage in LGDCA increased from 14% to 18%, respectively, as of December 31, 2014 to June 30, 2015.

(\*2) In April 2015, the Company established LG Display Guangzhou Trading Co., Ltd. to sell TFT-LCD products. As of June 30, 2015, the Company has a 100% equity interest of this subsidiary and its capital stock amounts to ₩218 million as of June 30, 2015.

(\*3) In May 2015, the Company invested additional ₩111,040 and acquired 67% ownership in Global OLED Technology LLC. The Company reversed ₩24,550 million, which was recognized as finance cost in 2014, for the difference between the carrying amount and the recoverable amount. In 2015, the Company's ownership percentage in Global OLED Technology LLC increased from 33% to 100% and the Company reclassified to investments in subsidiaries as of June 30, 2015.

(\*4) In January 2015, the Company disposed ₩18,100 million and acquired ₩27,800 million in June 2015 in Money Market Trust. There was no change in the Company's ownership percentage in MMT as a result of its disposal and acquisition.



**Table of Contents**6. Investments, Continued

(b) Investments in joint ventures and associates consist of the following:

*(In millions of won)*

Associates and Joint Ventures	Location	Business	June 30, 2015		December 31, 2014	
			Percentage of ownership	Book Value	Percentage of ownership	Book value
Suzhou Raken Technology Co., Ltd.	Suzhou, China	Manufacture and sell LCD modules and LCD TV sets	51%	₩ 120,184	51%	₩ 120,184
Global OLED Technology, LLC(*1)	Herndon, U.S.A.	Managing and licensing OLED patents			33%	28,732
Paju Electric Glass Co., Ltd.	Paju, South Korea	Manufacture electric glass for FPDs	40%	45,089	40%	45,089
TLI Inc.	Seongnam, South Korea	Manufacture and sell semiconductor parts for FPDs	10%	6,961	10%	6,961
AVACO Co., Ltd.	Daegu, South Korea	Manufacture and sell equipment for FPDs	16%	6,021	16%	6,021
New Optics Ltd.	Yangju, South Korea	Manufacture back light parts for TFT-LCDs	46%	14,221	46%	14,221
LIG INVENIA Co., Ltd.	Seongnam, South Korea	Develop and manufacture equipment for FPDs	13%	6,330	13%	6,330
WooRee E&L Co., Ltd.	Ansan, South Korea	Manufacture LED back light unit packages	21%	11,900	21%	11,900

**Table of Contents**6. Investments, Continued*(In millions of won)*

Associates and Joint Ventures	Location	Business	June 30, 2015		December 31, 2014	
			Percentage of ownership	Book Value	Percentage of ownership	Book value
LB Gemini New Growth Fund No.16 (*2)	Seoul, South Korea	Invest in small and middle sized companies and benefit from M&A opportunities	31%	11,935	31%	14,065
Can Yang Investments Limited(*3)	Hong Kong	Develop, manufacture and sell LED parts	9%	7,568	9%	9,467
YAS Co., Ltd.(*4)	Paju, South Korea	Develop and manufacture deposition equipment for OLEDs	19%	10,000	19%	10,000
Narenanotech Corporation	Yongin, South Korea	Manufacture and sell FPD manufacturing equipment	23%	30,000	23%	30,000
AVATEC Co., Ltd.	Daegu, South Korea	Process and sell glass for FPDs	16%	10,600	16%	10,600
Glonix Co., Ltd.	Gimhae, South Korea	Manufacture and sell LCD	20%		20%	
				₩ 280,809		₩ 313,570

(\*1) In May 2015, the Company acquired additional 67% ownership in Global OLED Technology LLC and reclassified to investments in subsidiaries as of June 30, 2015.

(\*2) The Company is a member of a limited partnership in the LB Gemini New Growth Fund No.16 ( the Fund ). In March 2015, the Company made an additional cash investment of ₩360 million in the Fund and received ₩2,490 million from the Fund as capital distribution in April 2015. There were no changes in the Company's ownership percentage in the Fund and the Company is committed to making future investments of up to an aggregate of ₩30,000 million.

(\*3) In 2015, the Company recognized an impairment loss of ₩1,899 million as finance cost for the difference between the carrying amount and the recoverable amount of investments in Can Yang Investments Limited which develop, manufactures and sells LED parts.

(\*4)

Edgar Filing: LG Display Co., Ltd. - Form 6-K

In 2015, YAS Co., Ltd. exercised its stock option and the Controlling Company's ownership percentage in YAS Co., Ltd. decreased from 19.2% to 18.5% as of December 31, 2014 to June 30, 2015. For the year ended June 30, 2015, the aggregate amount of received dividends from subsidiaries, joint ventures and associates are ₩24,817 million.

**Table of Contents**

**7. Property, Plant and Equipment**

For the six-month periods ended June 30, 2015 and 2014, the Company purchased property, plant and equipment of ₩864,480 million and ₩823,547 million, respectively. The capitalized borrowing costs and the annualized capitalization rate were ₩6,910 million and 3.89%, and ₩8,875 million and 3.45% for the six-month periods ended June 30, 2015 and 2014, respectively. Also, for the six-month periods ended June 30, 2015 and 2014, the Company disposed of property, plant and equipment with carrying amounts of ₩232,608 million and ₩36,640 million, respectively, and recognized ₩23,865 million and ₩131 million, respectively, as gain and loss on disposal of property, plant and equipment for the six-month period ended June 30, 2015 (gain and loss for the six-month period ended on June 30, 2014: ₩10,593 million and ₩1,182 million, respectively).

**8. Intangible Assets**

The Company capitalizes expenditures related to development activities, such as expenditures incurred on designing, manufacturing and testing of products that are ultimately selected for production. The balances of capitalized development costs as of June 30, 2015 and December 31, 2014, are ₩205,412 million and ₩253,624 million, respectively.

**Table of Contents**9. Financial Instruments

## (a) Credit risk

## (i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as of June 30, 2015 and December 31, 2014 is as follows:

*(In millions of won)*

	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Cash and cash equivalents	₩ 183,209	100,558
Deposits in banks(*)	1,385,983	1,534,036
Trade accounts and notes receivable, net	3,551,338	4,015,904
Other accounts receivable, net	116,108	396,651
Available-for-sale financial assets	3,180	3,237
Deposits	12,544	13,037
Other non-current financial assets	8,477	7,859
	<b>₩ 5,260,839</b>	<b>6,071,282</b>

(\*) As of June 30, 2015, the amount of deposits in banks restricted in use is ₩85,983 million (as of December 31, 2014: ₩81,232 million).

In addition to the financial assets above, as of June 30, 2015 and December 31, 2014, the Company provides payment guarantees of ₩151,754 million and ₩148,392 million, respectively, for its subsidiaries.

The maximum exposure to credit risk for trade accounts and notes receivable as of June 30, 2015 and December 31, 2014 by geographic region was as follows:

*(In millions of won)*

	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Domestic	₩ 449,662	406,163
Euro-zone countries	360,712	283,257
Japan	162,940	127,354
United States	902,712	1,816,906
China	708,271	784,896
Taiwan	616,485	368,503
Others	350,556	228,825
	<b>₩ 3,551,338</b>	<b>4,015,904</b>



**Table of Contents**9. Financial Instruments, Continued

## (ii) Impairment loss

The aging of trade accounts and notes receivable as of June 30, 2015 and December 31, 2014 was as follows:

<i>(In millions of won)</i>	<b>June 30, 2015</b>		<b>December 31, 2014</b>	
	<b>Book value</b>	<b>Impairment loss</b>	<b>Book value</b>	<b>Impairment loss</b>
Not past due	₩ 3,545,771	(310)	4,006,346	(114)
Past due 1-15 days	5,480	(25)	3,061	(25)
Past due 16-30 days			1,252	(12)
Past due 31-60 days	14		1,830	(18)
Past due more than 60 days	411	(3)	13,540	(9,956)
	₩ 3,551,676	(338)	4,026,029	(10,125)

The movement in the allowance for impairment in respect of receivables during the six-month period ended June 30, 2015 and the year ended December 31, 2014 are as follows:

<i>(In millions of won)</i>	<b>2015</b>	<b>2014</b>
Balance at the beginning of the period	₩ 10,125	9,898
(Reversal of) Bad debt expense	(9,787)	227
Balance at the reporting date	₩ 338	10,125

**Table of Contents**9. Financial Instruments, Continued

## (b) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments, as of June 30, 2015.

(In millions of won)

	Carrying amount	Total	Contractual cash flows				
			6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>							
Unsecured bank loans	₩ 606,703	617,910	100,991	172,546	341,998	2,090	285
Unsecured bond issues	2,694,797	2,883,103	457,883	445,222	821,125	1,074,492	84,381
Trade accounts and notes payables	2,941,778	2,941,778	2,941,778				
Other accounts payable	1,289,200	1,290,483	1,275,853	2,660	5,320	6,650	
Payment guarantee		156,471	1,189	1,176	154,106		
	₩ 7,532,478	7,889,745	4,777,694	621,604	1,322,549	1,083,232	84,666

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.



**Table of Contents**9. Financial Instruments, Continued

## (c) Currency risk

## (i) Exposure to currency risk

The Company's exposure to foreign currency risk based on notional amounts as of June 30, 2015 and December 31, 2014 is as follows:

*(In millions)*

	June 30, 2015				
	USD	JPY	CNY	PLN	EUR
Cash and cash equivalents	12	1,561		2	
Trade accounts and notes receivable	2,834	5,784			
Other accounts receivable	47	2			
Long-term other accounts receivable	7				
Other assets denominated in foreign currencies		51			
Trade accounts and notes payable	(1,576)	(19,254)			
Other accounts payable	(195)	(2,272)	(178)	(18)	(1)
Debt	(535)				
Net exposure	594	(14,128)	(178)	(16)	(1)

*(In millions)*

	December 31, 2014					
	USD	JPY	CNY	PLN	EUR	BRL
Cash and cash equivalents	78	1,150	2			
Trade accounts and notes receivable	3,332	7,909				
Other accounts receivable	25	13			16	
Long-term other accounts receivable	6					
Other assets denominated in foreign currencies		51				
Trade accounts and notes payable	(2,463)	(21,474)				
Other accounts payable	(106)	(3,484)	(260)	(19)	(1)	(34)
Debt	(770)					
Net exposure	102	(15,835)	(258)	(19)	15	(34)

**Table of Contents**9. Financial Instruments, Continued

Average exchange rates applied for the six-month periods ended June 30, 2015 and 2014 and the exchange rates at June 30, 2015 and December 31, 2014 are as follows:

<i>(In won)</i>	Average rate		Reporting date spot rate	
	2015	2014	June 30, 2015	December 31, 2014
USD	₩ 1,096.74	1,049.33	₩ 1,124.10	1,099.20
JPY	9.04	10.23	9.17	9.20
CNY	176.75	170.29	181.09	176.81
PLN	296.92	344.68	300.35	312.49
EUR	1,213.35	1,438.68	1,260.51	1,336.52
BRL	357.71	461.93	360.52	413.62

## (ii) Sensitivity analysis

A weaker won, as indicated below, against the following currencies which comprise the Company's assets or liabilities denominated in foreign currency as of June 30, 2015 and December 31, 2014, would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considers to be reasonably possible as of the end of reporting period. The analysis assumes that all other variables, in particular interest rates, would remain constant. The changes in equity and profit or loss would have been as follows:

<i>(In millions of won)</i>	June 30, 2015		December 31, 2014	
	Equity	Profit or loss	Equity	Profit or loss
USD (5 percent weakening)	₩ 25,306	25,306	4,249	4,249
JPY (5 percent weakening)	(4,911)	(4,911)	(5,522)	(5,522)
CNY (5 percent weakening)	(1,222)	(1,222)	(1,729)	(1,729)
PLN (5 percent weakening)	(182)	(182)	(225)	(225)
EUR (5 percent weakening)	(48)	(48)	760	760
BRL (5 percent weakening)			(533)	(533)

A stronger won against the above currencies as of June 30, 2015 and December 31, 2014 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

**Table of Contents**9. Financial Instruments, Continued

## (d) Interest rate risk

## (i) Profile

The interest rate profile of the Company's interest-bearing financial instruments as of June 30, 2015 and December 31, 2014 is as follows:

*(In millions of won)*

	June 30, 2015	December 31, 2014
<b>Fixed rate instruments</b>		
Financial assets	₩ 1,572,359	1,637,818
Financial liabilities	(2,698,333)	(2,818,383)
	₩ (1,125,974)	(1,180,565)
<b>Variable rate instruments</b>		
Financial liabilities	₩ (603,167)	(630,019)

## (ii) Equity and profit or loss sensitivity analysis for variable rate instruments

As of June 30, 2015 and December 31, 2014, a change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below for each 12-month period following the reporting dates. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

*(In millions of won)*

	Equity		Profit or loss	
	1%p increase	1%p decrease	1%p increase	1%p decrease
<b>June 30, 2015</b>				
Variable rate instruments	₩ (4,572)	4,572	(4,572)	4,572
<b>December 31, 2014</b>				
Variable rate instruments	₩ (4,776)	4,776	(4,776)	4,776

**Table of Contents**9. Financial Instruments, Continued

## (e) Fair values

## (i) Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the condensed separate interim statements of financial position, are as follows:

(In millions of won)

	June 30, 2015		December 31, 2014	
	Carrying amounts	Fair values	Carrying amounts	Fair values
<b>Assets carried at fair value</b>				
Available-for-sale financial assets	₩ 3,180	3,180	3,237	3,237
<b>Assets carried at amortized cost</b>				
Cash and cash equivalents	₩ 183,209	(*)	100,558	(*)
Deposits in banks	1,385,983	(*)	1,534,036	(*)
Trade accounts and notes receivable	3,551,338	(*)	4,015,904	(*)
Other accounts receivable	116,108	(*)	396,651	(*)
Deposits	12,544	(*)	13,037	(*)
Other non-current financial assets	8,477	(*)	7,859	(*)
<b>Liabilities carried at amortized cost</b>				
Unsecured bank loans	₩ 606,703	606,758	853,719	853,753
Unsecured bond issues	2,694,797	2,765,373	2,594,683	2,667,092
Trade accounts and notes payable	2,941,778	(*)	3,989,505	(*)
Other accounts payable	1,278,321	1,278,442	1,043,422	1,043,196
Other non-current liabilities	10,879	11,497	12,805	13,257

(\*) Excluded from disclosures as the carrying amount approximates fair value.

The basis for determining fair values above by the Company are consistent with those disclosed in the financial statements as of and for the year ended December 31, 2014.

## (ii) Financial Instruments measured at cost

Available-for-sale financial assets measured at cost as of June 30, 2015 and December 31, 2014 are as follows:

(In millions of won)

	June 30, 2015	December 31, 2014
Intellectual Discovery Co., Ltd.	₩ 2,673	2,673
Henghao Technology Co., Ltd.	3,372	3,372

₩	6,045	6,045
---	-------	-------

**Table of Contents**9. Financial Instruments, Continued

## (e) Fair Values, Continued

## (iii) Fair values of financial assets and liabilities

## i) Fair value hierarchy

The table below analyzes financial instruments carried at fair value based on the input variables used in the valuation method to measure fair value of assets and liabilities. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: inputs for the asset or liability that are not based on observable market data

## ii) Financial instruments measured at fair value

Fair value hierarchy classifications of the financial instruments that are measured at fair value as of June 30, 2015 and December 31, 2014 are as follows:

<i>(In millions of won)</i>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>June 30, 2015</b>				
Assets				
Available-for-sale financial assets	₩ 3,180			3,180
<b>December 31, 2014</b>				
Assets				
Available-for-sale financial assets	₩ 3,237			3,237

**Table of Contents**9. Financial Instruments, Continued

## (e) Fair Values, Continued

iii) Financial instruments not measured at fair value but for which the fair value is disclosed

Fair value hierarchy classifications, valuation technique and inputs for fair value measurements of the financial instruments not measured at fair value but for which the fair value is disclosed as of June 30, 2015 and December 31, 2014 are as follows:

<i>(In millions of won)</i> Classification	June 30, 2015			Valuation technique	Input
	Level 1	Level 2	Level 3		
<b>Liabilities</b>					
Unsecured bank loans	₩		606,758	Discounted cash flow	Discount rate
Unsecured bond issues			2,765,373	Discounted cash flow	Discount rate
Other accounts payable			1,278,442	Discounted cash flow	Discount rate
Other non-current liabilities			11,497	Discounted cash flow	Discount rate

<i>(In millions of won)</i> Classification	December 31, 2014			Valuation technique	Input
	Level 1	Level 2	Level 3		
<b>Liabilities</b>					
Unsecured bank loans	₩		853,753	Discounted cash flow	Discount rate
Unsecured bond issues			2,667,092	Discounted cash flow	Discount rate
Other accounts payable			1,043,196	Discounted cash flow	Discount rate
Other non-current liabilities			13,257	Discounted cash flow	Discount rate

The significant interest rates applied for determination of the above fair value at the reporting date are as follows:

	June 30, 2015	December 31, 2014
Debentures, loans and others	1.69~2.75%	2.23~2.60%

**Table of Contents**9. Financial Instruments, Continued

## (f) Capital management

Management's policy is to maintain a capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Liabilities to equity ratio, net borrowings to equity ratio and other financial ratios are used by management to achieve an optimal capital structure. Management also monitors the return on capital as well as the level of dividends to ordinary shareholders.

*(In millions of won)*

	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Total liabilities	₩ 8,822,838	10,387,762
Total equity	10,946,694	10,624,075
Cash and deposits in banks (*1)	1,569,179	1,626,167
Borrowings (including bonds)	3,301,500	3,448,402
Total liabilities to equity ratio	81%	98%
Net borrowings to equity ratio (*2)	16%	17%

(\*1) Cash and deposits in banks consist of cash and cash equivalents and current deposits in banks.

(\*2) Net borrowings to equity ratio is calculated by dividing total borrowings (including bonds) less cash and current deposits in banks by total equity.



**Table of Contents**10. Financial Liabilities

(a) Financial liabilities as of June 30, 2015 and December 31, 2014 are as follows:

*(In millions of won)*

	<b>June 30, 2015</b>	<b>December 31, 2014</b>
<b>Current</b>		
Short-term borrowings	₩	219,839
Current portion of long-term debt	1,085,263	744,283
	₩ 1,085,263	964,122
<b>Non-current</b>		
Won denominated borrowings	₩ 3,722	4,452
Foreign currency denominated borrowings	337,230	494,640
Bonds	1,875,285	1,985,188
	₩ 2,216,237	2,484,280

(b) Short-term borrowings as of June 30, 2015 and December 31, 2014 are as follows:

*(In millions of won and USD)*

<b>Lender</b>	<b>Annual interest rate as of</b>		
	<b>June 30, 2015 (%)</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Korea Development Bank and others		₩	219,839
Foreign currency equivalent			USD 200
		₩	219,839

(c) Won denominated long-term debt as of June 30, 2015 and December 31, 2014 is as follows:

*(In millions of won)*

<b>Lender</b>	<b>Annual interest rate as of</b>		
	<b>June 30, 2015 (%)</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Woori Bank and others		₩ 5,309	7,336

	3-year Korean Treasury Bond rate less 1.25, 2.75	
Less current portion of long-term debt	(1,587)	(2,884)
	<b>₩ 3,722</b>	<b>4,452</b>

**Table of Contents**10. Financial Liabilities

- (d) Long-term debt denominated in currencies other than won as of June 30, 2015 and December 31, 2014 is as follows:

*(In millions of won and USD)*

<b>Lender</b>	<b>Annual interest rate as of June 30, 2015 (%)</b> (*)		<b>June 30, 2015</b>	<b>December 31, 2014</b>
Nonghyup Bank and others	3ML+0.90~1.90	₩	601,394	626,544
Foreign currency equivalent		USD	535	USD 570
Less current portion of long-term debt			(264,164)	(131,904)
		₩	337,230	494,640

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

- (e) Details of bonds issued and outstanding as of June 30, 2015 and December 31, 2014 are as follows:

*(In millions of won)*

	<b>Maturity</b>	<b>Annual interest rate as of June 30, 2015 (%)</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
<b>Won denominated bonds (*)</b>				
Publicly issued bonds	October 2015~			
	May 2022	2.12~4.95	₩ 2,700,000	2,600,000
Less discount on bonds			(5,203)	(5,317)
Less current portion			(819,512)	(609,495)
			₩ 1,875,285	1,985,188

(\*) Principal of the won denominated bonds is to be repaid at maturity and interests are paid quarterly in arrears.

**Table of Contents****11. The Nature of Expenses and Others**

The classification of expenses by nature for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

<i>(In millions of won)</i>	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Changes in inventories	₩ 42,436	196,677	1,318	101,498
Purchases of raw materials, merchandise and others	2,478,494	2,282,332	5,041,898	4,665,958
Depreciation and amortization	704,177	775,150	1,405,433	1,646,668
Outsourcing fees	1,113,509	871,860	2,249,822	1,765,878
Labor costs	633,934	606,446	1,259,881	1,249,842
Supplies and others	236,672	207,507	442,508	417,560
Utility	174,907	168,358	357,940	346,014
Fees and commissions	98,322	87,656	212,894	177,492
Shipping costs	29,936	33,231	62,602	65,425
Advertising	56,212	31,195	97,349	57,765
Warranty expenses	20,896	19,440	50,074	36,050
Travel	14,829	15,034	28,323	27,621
Taxes and dues	11,386	11,112	25,043	23,335
Others	234,922	214,824	558,703	513,855
	₩ 5,850,632	5,520,822	11,793,788	11,094,961

Total expenses consist of cost of sales, selling, administrative, research and development expenses and other non-operating expenses, excluding foreign exchange differences.

**Table of Contents****12. Selling and Administrative Expenses**

Details of selling and administrative expenses for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

<i>(In millions of won)</i>	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Salaries	₩ 45,463	43,974	89,841	85,991
Expenses related to defined benefit plans	6,555	6,091	13,201	15,053
Other employee benefits	8,015	7,168	20,492	16,862
Shipping costs	23,727	24,182	49,762	46,272
Fees and commissions	25,362	26,241	69,363	52,501
Depreciation	20,205	17,815	40,713	36,729
Taxes and dues	697	645	1,553	1,268
Advertising	56,212	31,195	97,349	57,765
Warranty expenses	20,896	19,440	50,074	36,050
Rent	2,346	2,420	4,707	4,649
Insurance	903	1,523	2,420	3,041
Travel	4,074	3,983	7,870	8,068
Training	4,242	3,013	6,700	4,812
Others	7,888	6,404	17,546	12,741
	₩ 226,585	194,094	471,591	381,802

**Table of Contents**13. Other Non-operating Income and Other Non-operating Expenses

- (a) Details of other non-operating income for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

<i>(In millions of won)</i>	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Rental income	₩ 943	885	1,790	1,810
Foreign currency gain	188,383	253,216	353,881	371,060
Gain on disposal of property, plant and equipment	16,777	2,819	23,865	10,593
Reversal of allowance for doubtful accounts for other receivables		25		
Commission earned	258	917	650	917
Others	1,211	34,604	1,254	42,004
	₩ 207,572	292,466	381,440	426,384

- (b) Details of other non-operating expenses for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

<i>(In millions of won)</i>	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Other bad debt expense	₩ 599		492	544
Foreign currency loss	173,237	175,140	325,030	308,863
Loss on disposal of property, plant and equipment	128	47	131	1,182
Impairment loss on intangible assets	80	332	264	618
Donations	3,578	3,875	6,776	7,194
Expenses related to legal proceedings or claims and others	7,118	28	124,185	33,062
	₩ 184,740	179,422	456,878	351,463

**Table of Contents****14. Employee Benefits**

The Company's defined benefit plans provide a lump-sum payment to an employee based on final salary rates and length of service at the time the employee leaves the Company.

- (a) Recognized liabilities for defined benefit plans as of June 30, 2015 and December 31, 2014 are as follows:

<i>(In millions of won)</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Present value of partially funded defined benefit obligations	₩ 1,191,632	1,114,219
Fair value of plan assets	(908,675)	(790,509)
	₩ 282,957	323,710

- (b) Expenses recognized in profit or loss for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

<i>(In millions of won)</i>	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Current service cost	₩ 46,875	39,970	93,750	79,038
Past service cost				21,990
Net interest cost	2,817	4,014	5,633	7,792
	₩ 49,692	43,984	99,383	108,820

- (c) Plan assets as of June 30, 2015 and December 31, 2014 are as follows

<i>(In millions of won)</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Guaranteed deposits in banks	₩ 908,675	790,509

As of June 30, 2015, the Company maintains the plan assets primarily with Mirae Asset Securities Co., Ltd. and Shinhan Bank.

- (d) Remeasurements of net defined benefit liabilities included in other comprehensive income for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

<i>(In millions of won)</i>	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Remeasurements of net defined benefit liabilities	₩ (980)	(663)	(2,339)	(3,573)
Income tax	237	161	566	865
Remeasurements of net defined benefit liabilities, net of income tax	₩ (743)	(502)	(1,773)	(2,708)



**Table of Contents**15. Finance Income and Finance Costs

- (a) Finance income and costs recognized in profit and loss for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

<i>(In millions of won)</i>	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Finance income</b>				
Interest income	₩ 8,625	8,697	18,114	20,956
Dividend income		727	24,817	727
Foreign currency gain		36,139	2,755	29,757
Gain on disposal of available-for-sale financial assets		775		775
Reversal of loss on impairment of investments	24,550		24,550	
	₩ 33,175	46,338	70,236	52,215
<b>Finance costs</b>				
Interest expense	₩ 27,537	29,499	52,188	60,715
Foreign currency loss	12,922	8,360	15,381	9,715
Loss on early redemption of debt				6,986
Loss on impairment of investments			1,899	
Loss on disposal of investments		5,211		5,408
Loss on sale of trade accounts and notes receivable		51		51
	₩ 40,459	43,121	69,468	82,875

- (b) Finance income and costs recognized in other comprehensive income or loss for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

<i>(In millions of won)</i>	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Net change in fair value of available-for-sale financial assets	₩ 14	896	30	402
Tax effect	(3)	(216)	(7)	(97)
Finance income recognized in other comprehensive income after tax	₩ 11	680	23	305

---

**Table of Contents****16. Commitments****Factoring and securitization of accounts receivable**

The Company has agreements with Korea Development Bank and several other banks for accounts receivable sales negotiating facilities of up to an aggregate of USD 2,303 million (~~₩~~2,588,802 million) in connection with the Company's export sales transactions with its subsidiaries. As of June 30, 2015, no short-term borrowings were outstanding in connection with these agreements. In connection with all of the contracts in this paragraph, the Company has sold its accounts receivable with recourse.

The Company has a credit facility agreement with Shinhan Bank pursuant to which the Company could sell its accounts receivables up to an aggregate of ~~₩~~100,000 million in connection with its domestic sales transactions and, as of June 30, 2015, no accounts and notes receivable sold to Shinhan Bank were outstanding in connection with the agreement. In connection with the contract above, the Company has sold its accounts receivable without recourse.

**Letters of credit**

As of June 30, 2015, the Company has agreements in relation to the opening of letters of credit up to USD 15 million (~~₩~~16,862 million) with Korea Exchange Bank, USD 15 million (~~₩~~16,862 million) with China Construction Bank, USD 80 million (~~₩~~89,928 million) with Bank of China, USD 60 million (~~₩~~67,446 million) with Sumitomo Mitsui Banking Corporation and USD 30 million (~~₩~~33,723 million) with Hana Bank.

**Payment guarantees**

The Company obtained payment guarantees from Korea Exchange Bank for borrowings amounting to USD 200 million (~~₩~~224,820 million) and USD 8.5 million (~~₩~~9,555 million) from Shinhan Bank for value added tax payments in Poland. In addition, the Company provides a payment guarantee in connection with the term loan credit facilities of LG Display Yantai, Co., Ltd. amounting to USD 135 million (~~₩~~151,754 million) for principals and related interests.

**License agreements**

As of June 30, 2015, 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.

**Long-term supply agreement**

In connection with long-term supply agreements, as of June 30, 2015, the Company's balance of advances received from a customer amount to USD 100 million (~~₩~~112,410 million) in aggregate. The advances received will be offset against outstanding accounts receivable balances after a given period of time, as well as those arising from the supply of products thereafter. The Company received a payment guarantee amounting to USD 60 million (~~₩~~67,446 million) from the Industrial Bank of Korea relating to advances received.

---

**Table of Contents****17. Legal proceedings****Delaware Display Group LLC and Innovative Display Technologies LLC**

In December 2013, Delaware Display Group LLC and Innovative Display Technologies LLC filed a patent infringement case against the Company and LG Display America, Inc. in the United States District Court for the District of Delaware. The Company does not have a present obligation for this matter and has not recognized any provision at June 30, 2015. It is not possible to reasonably estimate an amount of potential loss, if any, because the plaintiffs have not provided any information regarding damages.

**Surpass Tech Innovation LLC**

In March 2014, Surpass Tech Innovation LLC filed a complaint in the United States District Court for the District of Delaware against the Company and LG Display America, Inc. for alleged patent infringement. In November 2014, the case has been stayed by the United States District Court for the District of Delaware pending Inter Partes Review. The Company does not have a present obligation for this matter and has not recognized any provision at June 30, 2015. It is not possible to reasonably estimate an amount of potential loss, if any, because the plaintiffs have not provided any information regarding damages.

**Anti-trust litigations**

Certain individual plaintiffs filed complaints in various state or federal courts in the United States alleging violation of the respective antitrust laws and related laws by various LCD panel manufacturers. As of June 30, 2015, the Company is currently defending against Direct Action Plaintiffs including Motorola Mobility, Inc. and Costco Wholesale Corp.. The timing and amounts of outflows are uncertain and the outcomes depend upon the various court proceedings.

In Canada, class action complaints alleging violations of Canada competition laws were filed in 2007 against the Company and other TFT-LCD manufacturers in Ontario, British Columbia and Quebec. The Ontario Superior Court of Justice certified the class action complaints filed by the direct and indirect purchasers in May 2011. The Company is pursuing an appeal of the class certification decision. The actions in Quebec and British Columbia are in abeyance. The timing and amount of outflows are uncertain and the outcome depends upon the court proceedings.

During the six-month period ended June 30, 2015, based on the developments of the above pending proceedings, the Company updated its estimates on the amount of potential outflow of resources which resulted in a decrease of provision-current for pending proceedings, in the amount of ₩197,238 million which is offset by an increase of ₩117,794 million upon utilization of the provision for proceedings closed. While the Company continues its vigorous defense of the various pending proceedings described above, management's assessment of the facts and circumstances could change based upon new information, intervening events and the final outcome of the cases. Consequently, the actual results could be materially different from management's current estimates.

**Table of Contents**

18. Capital and Reserves

(a) Share capital

The Company is authorized to issue 500,000,000 shares of capital stock (par value ₩5,000), and as of June 30, 2015 and December 31, 2014, the number of issued common shares is 357,815,700. There have been no changes in the capital stock from January 1, 2014 to June 30, 2015.

(b) Reserve

Reserve is comprised of the fair value reserve which is the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognized or impaired.

**Table of Contents**19. Related Parties

## (a) Related parties

Related parties as of June 30, 2015 are as follows:

<b>Classification</b>	<b>Description</b>
Subsidiaries(*)	LG Display America, Inc. and others
Associates and joint ventures(*)	Suzhou Raken Technology Co., Ltd. and others
Subsidiaries of Associates	ADP System Co., Ltd. and others
Entity that has significant influence over the Company	LG Electronics Inc.
Subsidiaries of the entity that has significant influence over the Company	Subsidiaries of LG Electronics Inc.

(\*) Details of subsidiaries, associates and joint ventures are described in note 6.

Related parties that have transactions such as sales or balance of trade accounts and notes receivable and payable with the Company excluding subsidiaries, associates and joint ventures as of June 30, 2015 and December 31, 2014 are as follows:

<b>Classification</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Subsidiaries of Associates	ADP System Co., Ltd. New Optics USA, Inc.	ADP System Co., Ltd. -
Entity that has significant influence over the Company	LG Electronics Inc.	LG Electronics Inc.
Subsidiaries of the entity that has significant influence over the Company	Hi Business Logistics Co., Ltd. Hiplaza Co., Ltd. Hi Entech Co., Ltd. LG Hitachi Water Solutions Co., Ltd. LG Innotek Co., Ltd. Hanuri Co., Ltd. Hi M Solutek Inspur LG Digital Mobile Communication Co., Ltd. Qingdao LG Inspur Digital Communication Co., Ltd. Hi Logistics Europe B.V. LG Electronics Mlawa Sp. z o.o. LG Electronics U.S.A., Inc. - - LG Electronics Vietnam Haiphong Co., Ltd.	Hi Business Logistics Co., Ltd. Hiplaza Co., Ltd. Hi Entech Co., Ltd. LG Hitachi Water Solutions Co., Ltd. LG Innotek Co., Ltd. Hanuri Co., Ltd. Hi M Solutek - Qingdao LG Inspur Digital Communication Co., Ltd. Hi Logistics Europe B.V. - - LG Innotek Poland Sp z o.o. LG Electronics Vietnam Co., Ltd. LG Electronics Vietnam Haiphong Co., Ltd.



**Table of Contents**19. Related Parties, Continued

<b>Classification</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
	LG Electronics RUS, LLC	LG Electronics RUS, LLC
	LG Electronics Nanjing Display Co., Ltd.	LG Electronics Nanjing Display Co., Ltd.
	LG Electronics India Pvt. Ltd.	LG Electronics India Pvt. Ltd.
	LG Electronics do Brasil Ltda.	LG Electronics do Brasil Ltda.
	LG Electronics (Kunshan) Computer Co., Ltd.	LG Electronics (Kunshan) Computer Co., Ltd.
	-	LG Electronics Alabama Inc.
	LG Electronics Reynosa S.A. DE C.V.	LG Electronics Reynosa S.A. DE C.V.
	LG Electronics Singapore PTE LTD.	LG Electronics Singapore PTE LTD.
	LG Electronics Japan, Inc.	LG Electronics Japan, Inc.
	-	LG Electronics Philippines Inc.
	P.T. LG Electronics Indonesia	P.T. LG Electronics Indonesia

## (b) Key management personnel compensation

Compensation costs of key management for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

<i>(In millions of won)</i>	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Short-term benefits	₩ 739	735	1,497	1,180
Expenses related to the defined benefit plan	161	145	232	214
	<b>₩ 900</b>	<b>880</b>	<b>1,729</b>	<b>1,394</b>

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 the Condensed Separate Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued

- (c) Significant transactions such as sales of goods and purchases of raw material and outsourcing service and others, which occurred in the normal course of business with related parties for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

	<b>For the three-month period ended June 30, 2015</b>				
	<b>Sales and others</b>	<b>Dividend income</b>	<b>Purchase of material and others</b>	<b>Acquisition of property, plant and equipment</b>	<b>Purchase and others Outsourcing fees Other costs</b>
<i>(In millions of won)</i>					
<b>Subsidiaries</b>					
LG Display America, Inc.	₩ 2,306,018		1		
LG Display Japan Co., Ltd.	431,289				914
LG Display Germany GmbH	403,376				225
LG Display Taiwan Co., Ltd.	518,787				180
LG Display Nanjing Co., Ltd.	15,744		1	93,938	
LG Display Shanghai Co., Ltd.	380,612				10
LG Display Poland Sp. z o.o.	141		6	15,157	
LG Display Guangzhou Co., Ltd.	6,129		3,501	424,710	2,232
LG Display Shenzhen Co., Ltd.	531,092				2
LG Display Yantai Co., Ltd.	16,413		10,474	380,787	3,042
LG Display (China) Co., Ltd.	565		34,500		
LG Display Singapore Pte. Ltd.	299,410				
L&T Display Technology (Fujian) Limited	127,499				73
Nanumnuri Co., Ltd.	13				2,101
Global OLED Technology LLC					1,095
LG Display Guangzhou Trading	22,783				
	₩ 5,059,871		48,483	914,592	9,874



**Table of Contents****LG DISPLAY CO., LTD.**

## Notes to the Condensed Separate Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)*

For the three-month period ended June 30, 2015

		Purchase and others				
		Acquisition of				
		Purchase of property, plant				
	Sales	Dividend	material and	and	Outsourcing	Other costs
	and others	income	others	equipment	fees	
<b>Joint Venture</b>						
Suzhou Raken Technology Co., Ltd.	₩ 57,125					
<b>Associates and their subsidiaries</b>						
New Optics Ltd.	₩ 1		303		300	200
New Optics USA, Inc.					17,938	
LIG INVENIA Co., Ltd. (LIG ADP Co., Ltd.)			19	14,975		
TLI Inc.			19,681			32
AVACO Co., Ltd.			451	17,032		1,287
AVATEC Co., Ltd.			148		806	667
Paju Electric Glass Co., Ltd.			108,164			804
Narenanotech Corporation			35	2,836		130
Glonix Co., Ltd.			793			12
ADP System Co., Ltd.			1,345	261		90
YAS Co., Ltd.			140	3,134		223
	₩ 1		131,079	38,238	19,044	3,445
<b>Entity that has significant influence over the Company</b>						
LG Electronics Inc.	₩ 396,224		12,476	82,423		70,433

**Table of Contents****LG DISPLAY CO., LTD.**

## Notes to the Condensed Separate Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)***For the three-month period ended June 30, 2015**

		<b>Purchase and others</b>				
		<b>Acquisition of</b>				
		<b>Purchase of property, plant</b>				
	<b>Sales</b>	<b>Dividend</b>	<b>material and</b>	<b>and</b>	<b>Outsourcing</b>	<b>Other costs</b>
	<b>and others</b>	<b>income</b>	<b>others</b>	<b>equipment</b>	<b>fees</b>	
<b>Subsidiaries of the entity that has significant influence over the Company</b>						
LG Electronics India Pvt. Ltd.	₩	36,604				39
LG Electronics Vietnam Haiphong Co., Ltd.		25,868				
LG Electronics Thailand Co., Ltd.						160
LG Electronics (Kunshan) Computer Co., Ltd.		762				
Hi Business Logistics Co., Ltd.		10				7,012
LG Innotek Co., Ltd.		1,166		70,165		465
LG Hitachi Water Solutions Co., Ltd.					11,370	
Inspur LG Digital Mobile Communication Co., Ltd.		19,406				
Qingdao LG Inspur Digital Communication Co., Ltd.		69,447				
Hi Entech Co., Ltd.						6,043
Others		2,155				1,625
	₩	155,418		70,165	11,370	15,344
	₩	5,668,639		262,203	132,031	933,636
					933,636	99,096

**Table of Contents****LG DISPLAY CO., LTD.**

## Notes to the Condensed Separate Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)*

For the six-month period ended June 30, 2015

	Sales and others	Dividend income	Acquisition of Purchase of property, plant and equipment and other	Outsourcing fees	Purchase and others Other costs
<b>Subsidiaries</b>					
LG Display America, Inc.	₩ 4,703,599		2		19
LG Display Japan Co., Ltd.	812,344				954
LG Display Germany GmbH	1,060,609				7,826
LG Display Taiwan Co., Ltd.	1,039,055				361
LG Display Nanjing Co., Ltd.	18,232		13	184,296	
LG Display Shanghai Co., Ltd.	795,799				10
LG Display Poland Sp. z o.o.	320		11	30,985	
LG Display Guangzhou Co., Ltd.	12,092		6,803	1,005,249	4,987
LG Display Shenzhen Co., Ltd.	973,275				3
LG Display Yantai Co., Ltd.	21,404		14,543	663,808	5,426
LG Display (China) Co., Ltd.	1,164		73,058		
LG Display U.S.A., Inc.	4,332				
LG Display Singapore Pte. Ltd.	645,022				
L&T Display Technology (Fujian) Limited	271,966				142
Nanumnuri Co., Ltd.	26				4,764
Global OLED Technology LLC					1,997
LG Display Guangzhou Trading	22,783				
	₩ 10,382,022		94,430	1,884,338	26,489

**Table of Contents****LG DISPLAY CO., LTD.**

## Notes to the Condensed Separate Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)*

For the six-month period ended June 30, 2015

	Sales and others	Dividend income	material and others	Purchase of property, plant and equipment	Purchase and others Acquisition of Outsourcing fees	Other costs
<b>Joint Venture</b>						
Suzhou Raken Technology Co., Ltd.	₩ 96,214					
<b>Associates and their subsidiaries</b>						
New Optics Ltd.	₩ 1		21,208		2,979	303
New Optics USA, Inc.					20,905	
LIG INVENIA Co., Ltd. (LIG ADP Co., Ltd.)			25	22,046		
TLI Inc.		101	38,254			259
AVACO Co., Ltd.		128	788	42,671		2,416
AVATEC Co., Ltd.		530	278		14,740	687
Paju Electric Glass Co., Ltd.		24,058	215,685			1,071
Narenanotech Corporation			204	6,440		396
Glonix Co., Ltd.			4,192			35
ADP System Co., Ltd.			1,676	1,678		260
YAS Co., Ltd.			185	11,133		363
	₩ 1	24,817	282,495	83,968	38,624	5,790
<b>Entity that has significant influence over the Company</b>						
LG Electronics Inc.	₩ 924,869		31,949	136,315		84,699

**Table of Contents****LG DISPLAY CO., LTD.**

## Notes to the Condensed Separate Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)*

For the six-month period ended June 30, 2015

		Purchase and others Acquisition of Purchase of property, plant and equipment					Outsourcing fees	Other costs
	Sales and others	Dividend income	material and others	and equipment				
<b>Subsidiaries of the entity that has significant influence over the Company</b>								
LG Electronics India Pvt. Ltd.	₩ 79,044						39	
LG Electronics Vietnam Haiphong Co., Ltd.	48,463							
LG Electronics Thailand Co., Ltd.	12,902						160	
LG Electronics (Kunshan) Computer Co., Ltd.	9,282							
Hi Business Logistics Co., Ltd.	20						15,213	
LG Innotek Co., Ltd.	2,404		159,907				1,097	
LG Hitachi Water Solutions Co., Ltd.				17,417				
Inspur LG Digital Mobile Communication Co., Ltd.	26,791							
Qingdao LG Inspur Digital Communication Co., Ltd.	145,776							
Hi Entech Co., Ltd.							12,825	
Others	6,429		3				2,629	
	₩ 331,111		159,910	17,417			31,963	
	₩ 11,734,217	24,817	568,784	237,700	1,922,962		148,941	

**Table of Contents****LG DISPLAY CO., LTD.**

## Notes to the Condensed Separate Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)***For the three-month period ended June 30, 2014**

	<b>Sales and others</b>	<b>Dividend income</b>	<b>Material and others</b>	<b>Purchase of property, plant and equipment</b>	<b>Purchase and others Acquisition of property, plant and equipment</b>	<b>Outsourcing fees</b>	<b>Other costs</b>
<b>Subsidiaries</b>							
LG Display America, Inc.	₩ 1,434,132						
LG Display Japan Co., Ltd.	445,546						1
LG Display Germany GmbH	632,563						134
LG Display Taiwan Co., Ltd.	611,402						118
LG Display Nanjing Co., Ltd.	508		2		76,080		
LG Display Shanghai Co., Ltd.	707,893						11
LG Display Poland Sp. z o.o.	109		10		20,583		
LG Display Guangzhou Co., Ltd.	5,987		3,409		442,343		884
LG Display Shenzhen Co., Ltd.	488,419						5
LG Display Yantai Co., Ltd.	6,798		1,655		124,546		322
LG Display (China) Co., Ltd.	596						
LUCOM Display Technology (Kunshan) Limited						4,662	
LG Display U.S.A., Inc.	24,556						
LG Display Singapore Pte. Ltd.	333,903						224
L&T Display Technology (Fujian) Limited	131,039		2				166
Nanumnuri Co., Ltd.	9						1,738
	₩ 4,823,460		5,078		668,214		3,603
<b>Joint Venture</b>							
Suzhou Raken Technology Co., Ltd.	₩ 58,009				35,969		

**Table of Contents****LG DISPLAY CO., LTD.**

## Notes to the Condensed Separate Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)*

For the three-month period ended June 30, 2014

		Purchase and others Acquisition of Purchase of property, plant and equipment					Outsourcing fees	Other costs
	Sales and others	Dividend income	material and others	and equipment				
<b>Associates and their subsidiaries</b>								
New Optics Ltd.	₩		13,328			2,687	87	
LIG INVENIA Co., Ltd. (LIG ADP Co., Ltd.)			136	7,765				
TLI Inc.			18,758				1,228	
AVACO Co., Ltd.			321	13,432			1,191	
AVATEC Co., Ltd.		265	26			15,124	2	
Paju Electric Glass Co., Ltd.			164,317				328	
Narenanotech Corporation		180	55	5,789			260	
Glonix Co., Ltd.			6,784				66	
ADP System Co., Ltd.			385	347			136	
YAS Co., Ltd.			33	2,298			112	
	₩	445	204,143	29,631		17,811	3,410	
<b>Entity that has significant influence over the Company</b>								
LG Electronics Inc.	₩	290,151	16,220	71,244			12,533	
<b>Subsidiaries of the entity that has significant influence over the Company</b>								
LG Electronics India Pvt. Ltd.	₩	32,434						
LG Electronics Vietnam Co., Ltd.		12,458						
LG Electronics Thailand Co., Ltd.		13,311						

**Table of Contents****LG DISPLAY CO., LTD.**

## Notes to the Condensed Separate Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)*

For the three-month period ended June 30, 2014

	Sales and others	Dividend income	Purchase of material and others	Acquisition of property, plant and equipment	Purchase and others Outsourcing fees	Other costs
LG Electronics RUS, LLC	₩ 12,805					
Hi Business Logistics Co., Ltd.	10					6,829
LG Innotek Co., Ltd.	765		130,964			1,342
LG Hitachi Water Solutions Co., Ltd.				8,753		
Qingdao LG Inspur Digital Communication Co., Ltd.	33,915					
Hi Entech Co., Ltd.						5,692
Others	6,683					1,426
	₩ 112,381		130,964	8,753		15,289
	₩ 5,284,001	445	356,405	109,628	721,994	34,835



**Table of Contents****LG DISPLAY CO., LTD.**

## Notes to the Condensed Separate Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)*

For the six-month period ended June 30, 2014

	Sales and others	Dividend income	Material and others	Acquisition of property, plant and equipment	Outsourcing fees	Other costs
<b>Subsidiaries</b>						
LG Display America, Inc.	₩ 3,209,299		3			
LG Display Japan Co., Ltd.	833,670					9
LG Display Germany GmbH	1,335,893					1,681
LG Display Taiwan Co., Ltd.	1,127,404					162
LG Display Nanjing Co., Ltd.	1,176		7		171,238	
LG Display Shanghai Co., Ltd.	1,415,997					67
LG Display Poland Sp. z o.o.	287		47		39,702	
LG Display Guangzhou Co., Ltd.	8,176		7,652		927,860	2,303
LG Display Shenzhen Co., Ltd.	817,847					9
LG Display Yantai Co., Ltd.	16,113		3,114		222,106	1,187
LG Display (China) Co., Ltd.	31,522					
LUCOM Display Technology (Kunshan) Limited	505				9,464	
LG Display U.S.A., Inc.	49,812					
LG Display Singapore Pte. Ltd.	635,823					224
L&T Display Technology (Fujian) Limited	248,188		3			166
Nanumnuri Co., Ltd.	18					3,773
	₩ 9,731,730		10,826		1,370,370	9,581
<b>Joint Venture</b>						
Suzhou Raken Technology Co., Ltd.	₩ 112,829				64,389	

**Table of Contents****LG DISPLAY CO., LTD.**

## Notes to the Condensed Separate Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)*

For the six-month period ended June 30, 2014

		Purchase and others Acquisition of Purchase of property, plant and equipment				
	Sales and others	Dividend income	material and others	and equipment	Outsourcing fees	Other costs
<b>Associates and their subsidiaries</b>						
New Optics Ltd.	₩		25,001		5,093	738
LIG INVENIA Co., Ltd. (LIG ADP Co., Ltd.)			409	13,388		7
TLI Inc.			33,768			1,855
AVACO Co., Ltd.		41	591	30,828		1,535
AVATEC Co., Ltd.		265	40		29,284	45
Paju Electric Glass Co., Ltd.			343,184			1,405
Narenanotech Corporation		180	101	6,701		1,017
Glonix Co., Ltd.			11,186			180
ADP System Co., Ltd.			565	555		165
YAS Co., Ltd.			437	4,307		140
	₩	486	415,282	55,779	34,377	7,087
<b>Entity that has significant influence over the Company</b>						
LG Electronics Inc.	₩	613,795	23,050	110,087		18,299
<b>Subsidiaries of the entity that has significant influence over the Company</b>						
LG Electronics India Pvt. Ltd.	₩	51,148				
LG Electronics Vietnam Co., Ltd.		22,128				
LG Electronics Thailand Co., Ltd.		25,950				

**Table of Contents****LG DISPLAY CO., LTD.**

## Notes to the Condensed Separate Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)*

For the six-month period ended June 30, 2014

	Purchase and others Acquisition of Purchase of property, plant and equipment					
	Sales and others	Dividend income	material and others	and equipment	Outsourcing fees	Other costs
LG Electronics RUS, LLC	₩ 17,030					
Hi Business Logistics Co., Ltd.	20					14,168
LG Innotek Co., Ltd.	1,498		246,201			1,850
LG Hitachi Water Solutions Co., Ltd.				19,054		
Qingdao LG Inspur Digital Communication Co., Ltd.	59,915					
Hi Entech Co., Ltd.						11,823
Others	7,943		804			1,969
	₩ 185,632		247,005	19,054		29,810
	₩ 10,643,986	486	696,163	184,920	1,469,136	64,777

**Table of Contents****LG DISPLAY CO., LTD.**

## Notes to the Condensed Separate Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued

(d) Trade accounts and notes receivable and payable as of June 30, 2015 and December 31, 2014 are as follows:

*(In millions of won)*

	Trade accounts and notes receivable and others		Trade accounts and notes payable and others	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
<b>Subsidiaries</b>				
LG Display America, Inc.	₩ 895,355	1,810,674		
LG Display Japan Co., Ltd.	163,012	128,248	8	
LG Display Germany GmbH	360,972	306,277	7,324	6,312
LG Display Taiwan Co., Ltd.	616,157	368,188	16	52
LG Display Nanjing Co., Ltd.	7,459	19,732	64,932	86,499
LG Display Shanghai Co., Ltd.	190,573	311,532	10	20
LG Display Poland Sp. z o.o.	136	131	10,631	10,746
LG Display Guangzhou Co., Ltd.	2,168	307,469	414,227	772,702
LG Display Shenzhen Co., Ltd.	282,358	260,602	2	
LG Display Yantai Co., Ltd.	4,434	2,214	439,798	447,994
LG Display (China) Co., Ltd.	1,187		23,367	12,147
LG Display U.S.A., Inc.		4,397		2,923
LG Display Singapore Pte. Ltd.	141,181	106,506		
L&T Display Technology (Fujian) Limited	73,840	81,898	217,957	199,470
Nanumnuri Co., Ltd.			939	1,077
Global OLED Technology LLC(*)			421	505
LG Display Guangzhou Trading	23,058			
	₩ 2,761,890	3,707,868	1,179,632	1,540,447

**Table of Contents****LG DISPLAY CO., LTD.**

## Notes to the Condensed Separate Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)*

	Trade accounts and notes receivable and others		Trade accounts and notes payable and others	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
<b>Joint Venture</b>				
Suzhou Raken Technology Co., Ltd.	₩ 47,981	27,750		
<b>Associates and their subsidiaries</b>				
New Optics Ltd.	₩ 1	440	10,611	14,785
New Optics USA, Inc.			13,069	
LIG INVENIA Co., Ltd. (LIG ADP Co., Ltd.)			15,203	2,471
TLI Inc.			13,430	14,086
AVACO Co., Ltd.			20,299	12,700
AVATEC Co., Ltd.			6,638	10,645
Paju Electric Glass Co., Ltd.	4,038		75,860	82,792
Narenanotech Corporation			3,760	1,532
Glonix Co., Ltd.			13	1,752
ADP System Co., Ltd.			1,844	1,822
YAS Co., Ltd.			3,064	7,300
	₩ 4,039	440	163,791	149,885
<b>Entity that has significant influence over the Company</b>				
LG Electronics Inc.	₩ 425,356	379,977	202,221	110,281

**Table of Contents****LG DISPLAY CO., LTD.**

## Notes to the Condensed Separate Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

19. Related Parties, Continued*(In millions of won)*

	Trade accounts and notes receivable and others		Trade accounts and notes payable and others	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
<b>Subsidiaries of the entity that has significant influence over the Company</b>				
LG Innotek Co., Ltd.	₩ 2	4	72,421	84,931
LG Hitachi Water Solutions Co., Ltd.			15,745	7,079
Hi Entech Co., Ltd.			5,346	5,954
Inspur LG Digital Mobile Communication Co., Ltd.	19,739			
LG Electronics India Pvt. Ltd.	13,292	13,825		
LG Electronics Vietnam Haiphong Co., Ltd.	16,825	13,491		
LG Electronics Thailand Co., Ltd.		17,792		
LG Electronics (Kunshan) Computer Co., Ltd.		3,776		
Qingdao LG Inspur Digital Communication Co., Ltd.	44,094	65,641		
Others	1,192	3,306	3,099	5,008
	₩ 95,144	117,835	96,611	102,972
	₩ 3,334,410	4,233,870	1,642,255	1,903,585

(\*) The Company acquired additional ownership in Global OLED Technology and classified it as subsidiaries as of June 30, 2015.

**Table of Contents****LG DISPLAY CO., LTD.**

## Notes to the Condensed Separate Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

20. Income Taxes

- (a) Details of income tax expense for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

<i>(In millions of won)</i>	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Current tax expense (benefit)	₩ 4,273	(1,491)	68,826	(11,649)
Deferred tax expense	59,285	30,911	96,407	116,374
<b>Income tax expense</b>	<b>₩ 63,558</b>	<b>29,420</b>	<b>165,233</b>	<b>104,725</b>

- (b) Deferred Tax Assets and Liabilities

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the deferred tax assets at the reporting date will be realized with the Company's estimated future taxable income.

Deferred tax assets and liabilities as of June 30, 2015 and December 31, 2014 are attributable to the following:

<i>(In millions of won)</i>	<b>Assets</b>		<b>Liabilities</b>		<b>Total</b>	
	<b>June 30, 2015</b>	<b>December 31, 2014</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Other accounts receivable, net	₩		(1,839)	(3,440)	(1,839)	(3,440)
Inventories, net	31,593	44,543			31,593	44,543
Available-for-sale financial assets			(95)	(88)	(95)	(88)
Defined benefit liabilities, net	72,736	112,213			72,736	112,213
Accrued expenses	128,709	173,635			128,709	173,635
Property, plant and equipment	144,021	129,370			144,021	129,370
Intangible assets	1,761	1,423			1,761	1,423
Provisions	13,456	12,710			13,456	12,710
Gain or loss on foreign currency translation, net	13	169	(1)	(1)	12	168

Edgar Filing: LG Display Co., Ltd. - Form 6-K

Others	9,790	16,326			9,790	16,326
Tax credit carryforwards	387,973	397,105			387,973	397,105
Deferred tax assets (liabilities)	<del>₩</del> 790,052	887,494	(1,935)	(3,529)	788,117	883,965

Statutory tax rate applicable to the Company is 24.2% for the six-month period ended June 30, 2015.



**Table of Contents****LG DISPLAY CO., LTD.**

## Notes to the Condensed Separate Interim Financial Statements

June 30, 2015 and 2014

(Unaudited)

21. Earnings per Share

- (a) Basic earnings per share for the three-month and six-month periods ended June 30, 2015 and 2014 are as follows:

<i>(In won and number of shares)</i>	<b>For the three-month periods ended June 30,</b>		<b>For the six-month periods ended June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Profit for the period</b>	<b>₩ 168,505,353,821</b>	<b>183,104,117,973</b>	<b>503,276,912,405</b>	<b>34,111,771,376</b>
Weighted-average number of common stocks outstanding	357,815,700	357,815,700	357,815,700	357,815,700
<b>Earnings per share</b>	<b>₩ 471</b>	<b>512</b>	<b>1,407</b>	<b>95</b>

For the three-month and six-month periods ended June 30 2015 and 2014, there were no events or transactions that resulted in changes in the number of common stocks used for calculating earnings per share.

- (b) Diluted earnings per share are not calculated since there was no potential common stock for the three-month and six-month periods ended June 30, 2015 and 2014.

Table of Contents

**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: August 17, 2015

By: /s/ Heeyeon Kim

(Signature)

Name: Heeyeon Kim

Title: Head of IR / Vice President

141