

LG Display Co., Ltd.
Form 6-K
November 24, 2010
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

For the month of November 2010

LG Display Co., Ltd.

(Translation of Registrant's name into English)

65-228 Hangangno 3-ga, Yongsan-gu, Seoul 140-716, Republic of Korea

(Address of principal executive offices)

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

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): _____

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): _____

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submission to furnish a report or other document that the registration foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

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QUARTERLY REPORT

(From January 1, 2010 to September 30, 2010)

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

IN THE TRANSLATION PROCESS, SOME PARTS OF THE REPORT WERE REFORMATTED, REARRANGED OR SUMMARIZED AND CERTAIN NUMBERS WERE ROUNDED FOR THE CONVENIENCE OF READERS.

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

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

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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 65-228 Hangangno 3-ga, Yongsan-gu, Seoul 140-716, Republic of Korea, and our telephone number is +82-2-3777-1114. Our website address is <http://www.lgdisplay.com>.

B. Domestic credit rating

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

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C. Capitalization

(1) Change in capital stock (as of September 30, 2010)

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

* ADSs offering: 24,960,000 shares (US\$30 per share, US\$15 per ADS)
Initial public offering in Korea: 8,640,000 shares ((Won)34,500 per share)

** ADSs offering: 1,715,700 shares ((Won)34,500 per share) pursuant to the exercise of greenshoe option by the underwriters

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

(2) Convertible bonds (as of September 30, 2010)

Item		Content	(Unit: Won, Share)
Issuing date		April 18, 2007	
Maturity (Redemption date after put option exercise)		April 18, 2012	
		(April 18, 2010)	
Face Amount		(Won)513,480,000,000	
Offering method		Public offering	
Conversion period		Convertible into shares of common stock during the period from April 19, 2008 to April 3, 2012	
Conversion price		(Won)48,075 per share*	
Redemption	Face Amount	(Won)451,862,400,000	
Conversion	Face Amount	None	
	Number of converted shares	None	
Outstanding	Face Amount	(Won)61,617,600,000	
	Number of convertible shares	1,281,697 shares if all are converted*	
Remarks		- Registered form	
		- Listed on Singapore Exchange	

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* Conversion price was adjusted from (Won)49,070 to (Won)48,760 and the number of convertible shares was adjusted from 10,464,234 to 10,530,762 following the approval by the shareholders of a cash dividend of (Won)750 per share at the annual general meeting of shareholders on February 29, 2008. Conversion price was further adjusted from (Won)48,760 to (Won)48,251 and the number of shares issuable upon conversion was adjusted from 10,530,762 to 10,641,851 following the approval by the shareholders of a cash dividend of (Won)500 per share at the annual general meeting of shareholders on March 13, 2009. Conversion price was further adjusted from (Won)48,251 to (Won)48,075 and the number of shares issuable upon conversion was adjusted from 10,641,851 to 10,680,811 following the approval by the shareholders of a cash dividend of (Won)500 per share at the annual general meeting of shareholders on March 12, 2010. In April 2010, certain holders of our US\$550 million convertible bonds due 2012 exercised their put option for an aggregate principal amount of US\$484 million and were repaid at 109.75% of their principal amount. The remaining US\$66 million matures in 2012 at 116.77% of their principal amount. Accordingly, the number of shares issuable upon conversion changed from 10,680,811 to 1,281,697.

D. Voting rights (as of September 30, 2010)

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

E. Dividends

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

Dividends during the recent three fiscal years

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

- * Earnings per share is calculated based on par value of (Won)5,000 per share.
- * Earnings per share is calculated by dividing net income by weighted average number of common stock.
- * Cash dividend yield is the percentage that is derived by dividing cash dividend by the arithmetic average of the daily closing prices of our common stock during the one-week period ending two trading days prior to the closing of the register of shareholders for the purpose of determining the shareholders entitled to receive annual dividends.

2. Business**A. Business overview**

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

As of September 30, 2010, we operated fabrication facilities and module facilities in Paju and Gumi, Korea, an OLED facility in Gumi, Korea and a LCD research center in Paju, Korea. We have also established sales subsidiaries in the United States, Europe and Asia.

As of September 30, 2010, our business consisted of (i) the manufacture and sale of LCD panels, (ii) the manufacture and sale of OLED panels and (iii) the manufacture and sale of television sets and monitors that utilize our LCD panels. Because our OLED business represents an extremely small portion of our assets and revenues, only our LCD business has been categorized as a reporting business segment.

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Financial highlights by business (based on K-IFRS)

2010 (Q1~Q3)	(Unit: In billions of Won)
	LCD business
Sales Revenue	19,028
Gross Profit	3,337
Operating Profit	1,697

B. Industry

(1) Industry characteristics and growth potential

TFT-LCD technology is one of the widely used technologies in the manufacture of flat panel displays, and the demand for flat panel displays is growing. The flat panel display industry is characterized by entry barriers due to rapidly evolving technology, capital-intensive characteristics, and the significant investments required to achieve economies of scale, among other factors. There is intense competition among the players in the industry, and the industry's production capacity, including ours, is continually increasing.

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

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

(2) Cyclicity

The TFT-LCD business is highly cyclical. In spite of the increased demand for products, this industry has experienced periodic volatility caused by imbalances between supply and demand due to capacity expansion within the industry.

Intense competition and expectations of demand growth may lead panel manufacturers to invest in manufacturing capacity on similar schedules, resulting in a surge in capacity when production is ramped up at new fabrication facilities.

During such surges in production capacity, the average selling prices of display panels may decline. Conversely, demand surges and inability of supply to meet such demand may lead to price increases.

(3) Market conditions

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

Most TFT-LCD panel makers are located in Asia.

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- a. Korea: LG Display, Samsung Electronics (including a joint venture between Samsung Electronics and Sony Corporation), Samsung Mobile Display, Hydis Technologies
- b. Taiwan: AU Optronics, Chi Mei Innolux, CPT, Hannstar, etc.
- c. Japan: Sharp, IPS-Alpha, etc.
- d. China: SVA-NEC, BOE-OT, etc.

(4) Market shares

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

	2010 (Q1-Q3)**	2010 (H1)**	2009***	2008***
Panels for Notebook Computers****	30.8%	30.6%	30.3%	29.6%
Panels for Monitors	26.5%	24.5%	23.9%	17.7%
Panels for Televisions	24.0%	23.3%	24.4%	19.4%
Total	25.4%	24.7%	25.2%	20.6%

* Source: Q3 2010 Large Area Shipment Report published by DisplaySearch.

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

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

**** Includes panels for netbooks.

(5) Competitiveness

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

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

A substantial portion of our sales is attributable to a limited number of end-brand customers and their designated system integrators. The loss of these end-brand customers, as a result of customers entering into strategic supplier arrangements with our competitors or otherwise, would result in reduced sales.

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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 developing new technologies and products, including in the categories of 3D, touch screens and next generation displays. With respect to 3D technology, we reduced the degree of crosstalk, or the degree of 3D image overlapping, to less than 1% (which is less than what the human eye can perceive). Our 3D technology was internationally recognized when our 47-inch full HD 3D television utilizing polarized glasses was awarded the 2010 Display of the Year Gold Award by the Society for Information Display. In addition, we have shown that we are technologically a step ahead of the competition by developing products such as 21.5-inch full HD glossy touch screen monitors, 13.3-inch on-cell touch screen LCDs, 3-inch OLEDs, 10.1-inch flexible LCDs and 2.6mm thin televisions. By the end of 2010, we are also expecting to commence mass-production of 19-inch flexible e-papers and 9.7-inch color e-papers.

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Moreover, we entered into long-term sales contracts with major global firms such as Dell, Hewlett Packard and Kodak of the United States and Japan's Toshiba, among others, to secure customers and expand partnerships for technology development. In 2009 and 2010, we entered into separate long-term supply agreements with Apple Inc. to supply display panels for five years.

C. New businesses

In order to increase our production capacity to meet the rising market demand for TFT-LCD products, we expanded P8, our eighth-generation panel fabrication facility in Paju, Korea, by constructing P8E, which commenced mass production in May 2010. In addition, in order to meet the rising market demand, we decided in March 2010 to further expand P8 by investing in P8E+. In April 2010, we also decided to invest in a new production facility.

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

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

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

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

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

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

In December 2009, certain LG affiliates and we entered into a joint venture investment agreement and established a joint venture company, Global OLED Technology LLC, for purposes of managing the patent assets relating to OLED technology that we acquired from Eastman Kodak Company in December 2009. As of December 31, 2009, we had invested (Won)72.3 billion in return for a 49% equity interest in the joint venture company. In June 2010, we sold (Won)19.0 billion worth of our equity interest in the joint venture company. After such sale, our equity interest was reduced to 32.73%.

In December 2009, we invested (Won)1.8 billion and acquired a 30.6% limited partnership interest in LB Gemini New Growth Fund No.16. Under the limited partnership agreement, we have agreed to invest a total amount of (Won)30 billion in the fund. By becoming a limited partner of this fund, our aim is to seek direct investment opportunities as well as to receive benefits from the investment. In May 2010, we invested an additional (Won)6.5 billion in the fund which increased our total investment amount to (Won)8.3 billion. The additional investment did not change our limited partnership interest in the fund, which remained at 30.6%.

In order to establish a production base for LCD modules, LCD television sets and LCD monitors, we entered into a joint investment agreement with Top Victory Investment Ltd. in January 2010 and established L&T Display Technology (Xiamen) Ltd. and L&T Display Technology (Fujian) Ltd. We invested (i) (Won)7.1 billion and acquired a 51% equity interest in L&T Display Technology (Xiamen) Ltd. and (ii) (Won)10.1 billion and acquired a 51% equity interest in L&T Display Technology (Fujian) Ltd.

In May 2010, we completed the acquisition of the LCD module division of LG Innotek Co., Ltd. Through this acquisition, we expect to improve our module manufacturing process and simplify our supply chain which will increase our efficiency and competitiveness.

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In August 2010, in order to strengthen our competitiveness in the LED backlight LCD market, we entered into a joint investment agreement with Everlight Electronics Co., Ltd. and AmTRAN Technology Co., Ltd. and established Eralite Optoelectronics (Jiangsu) Co., Ltd., a company that specializes in LED packaging and manufacturing, in Suzhou, China. We invested US\$4 million and acquired a 20% equity interest in Eralite Optoelectronics (Jiangsu) Co., Ltd.

In September 2010, in order to strengthen our OLED business, we acquired a 20% equity interest in YAS Co., Ltd., which develops and manufactures OLED deposition equipment components, at a purchase price of (Won)10 billion.

3. Major Products and Raw Materials**A. Major products in 2010 (Q1~Q3)**

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

Business Area	Sales types	Items (Market)	Specific use	(Unit: In billions of Won)	
				Major trademark	Sales (%)
TFT-LCD	Product/Service/Other	TFT-LCD (Overseas)	Panels for Notebook Computer, Monitor, Television, etc	LG Display	17,711 (93.1%)
	Sales	TFT-LCD (Korea*)	Panels for Notebook Computer, Monitor, Television, etc	LG Display	1,317 (6.9%)
Total					19,028 (100%)

* Based on ship-to-party.

** Period: January 1, 2010 ~ September 30, 2010.

B. Average selling price trend of major products

The average selling prices of LCD panels substantially decreased during the third quarter of 2010 compared to the second quarter of 2010 and may continue to fluctuate due to imbalances in supply and demand.

Description	(Unit: US\$ / m ²)			
	2010 Q3	2010 Q2	2010 Q1	2009 Q4
TFT-LCD panel	778	863	838	809

* Semi-finished products in the cell process have been excluded.

** Quarterly average selling price per square meter of net display area shipped.

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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.

(Unit: In billions of Won)

Business area	Purchase		Specific use	Purchase price	Ratio (%)	Suppliers
	types	Items				
TFT-LCD	Raw Materials	Glass	LCD panel	3,093	25.38%	Samsung Corning Precision Glass Co., Ltd., Nippon Electric Glass Co., Ltd., etc.
		Backlight		3,820	31.35%	
		Polarizer	manufacturing	1,740	14.28%	LG Chem, etc.
		Others		3,530	28.99%	
Total			12,183	100%		

* Period: January 1, 2010 ~ September 30, 2010.

** Based on separate K-IFRS.

4. Production and Equipment

A. Production capacity and calculation

(1) Calculation method of production capacity

Q1~Q3: Maximum monthly input capacity during Q1~Q3 multiplied by number of months (9 months).

Year: Maximum monthly input capacity during the year multiplied by number of months (12 months).

(2) Production capacity

(Unit: 1,000 Glass sheets)

Business area	Items	Business place	2010		
			(Q1~Q3)	2009	2008
TFT-LCD	TFT-LCD	Gumi, Paju	5,626	6,219	3,941

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

B. Production performance and utilization ratio

(1) Production performance

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Business area	Items	Business place	(Unit: 1,000 Glass sheets)		
			2010 (Q1~Q3)	2009	2008
TFT-LCD	TFT-LCD	Gumi, Paju	4,807	5,231	3,514

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

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(2) Utilization ratio

Business place (area)	Available working hours of 2010 (Q1~Q3)	Actual working hours of 2010 (Q1~Q3)	(Unit: Hours)
			Average utilization ratio
Gumi	6,552	6,552	
(TFT-LCD)	(24 hours x 273 days)	(24 hours x 273 days)	100.0%
Paju	6,552	6,552	
(TFT-LCD)	(24 hours x 273 days)	(24 hours x 273 days)	100.0%

C. Investment plan

In connection with our strategy to expand our TFT-LCD production capacity, we estimate that we will incur capital expenditures of approximately (Won)4.5 trillion to (Won)5.0 trillion in 2010. 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)		
			2010 (Q1~Q3)*	2009*	2008**
TFT-LCD	Products, etc.	Overseas	17,711	18,833	15,200
		Korea***	1,317	1,205	1,064
		Total	19,028	20,038	16,264

* Based on K-IFRS.

** Based on Korean GAAP.

*** Based on ship-to-party.

B. Sales route and sales method

(1) Sales organization

As of September 30, 2010, each of our IT Business Unit, Television Business Unit and Mobile/OLED Business Unit had individual sales and customer support functions.

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

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(2) Sales route

One of the following:

LG Display HQ g Overseas subsidiaries (USA/Germany/Japan/Taiwan/Singapore/China (Shanghai and Shenzhen)), etc.
g System integrators, Branded customers g End users

LG Display HQ g System integrators, Branded 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

To secure stable sales to major personal computer makers and leading consumer electronics makers globally. To increase sales of premium notebook computer products, to strengthen sales of the larger size and high-end monitor segment and to lead the large and wide LCD television market including in the categories of LED and 3D televisions.

To diversify our market in the mobile business segment, including products such as mobile phone (including smart phone), smartbook, car navigation, e-book, aviation and medical equipment, etc.

(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

Our industry continues to experience steady declines in the average selling prices of display 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.

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The TFT-LCD 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 makers in Korea, Taiwan, China and Japan. Our main competitors in the industry include Samsung Electronics, Samsung Mobile Display, Infovision, Hydis Technologies, AU Optronics, Chi Mei Innolux, Chunghwa Picture Tubes, HannStar, SVA-NEC, BOE-OT, Sharp, Hitachi, TMDisplay, Mitsubishi, Sony and IPS-Alpha.

Our ability to compete successfully depends on factors both within and outside our control, including product pricing, performance and reliability, successful and timely investment and 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.

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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. Our risk management policy regarding foreign currency risk is to minimize the impact of foreign currency fluctuations on our foreign currency denominated assets and liabilities.

B. Risk management

The average selling prices of display panels have declined in general and could continue to decline with time irrespective of industry-wide cyclical fluctuations. Certain contributing factors for this decline will be beyond our ability to control and manage. However, in anticipation of such price decline we have continued to develop new technologies and have implemented various cost reduction measures. In addition, in order to manage our risk against foreign currency fluctuations, we have entered into cross-currency interest rate swap contracts and foreign currency forward contracts.

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 Euro and the Japanese Yen.

We generally use forward exchange contracts with a maturity of less than one year to hedge against currency risks.

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 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. In addition, we also adjust the factoring volumes of foreign currency denominated receivables and utilize usances as means of settling accounts payables relating to capital expenditures for our facilities, in response to currency fluctuations.

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The following table shows the net fair value of forward exchange contracts used as economic hedges of monetary assets and liabilities in foreign currencies as of the dates indicated:

	(Unit: In millions of Won)	
	As of September 30, 2010	As of December 31, 2009
Net Fair value		
Financial assets (liabilities)	(Won) 7,019	2,674

B. Interest rate risks

Our exposure to interest rate risks relates primarily to our long-term debt obligations. To the extent necessary, we hedge our interest rate risks by entering into interest swap contracts. As of September 30, 2010, we had no interest swap contracts outstanding. The fair value of our interest rate swaps as of December 31, 2009 is as follows:

	(Unit: In millions of Won)	
Type	As of December 31, 2009	
Loss on valuation of interest rate swap	(Won)	3,699
Financial liabilities		3,699

8. Major contracts

In 2009 and 2010, we entered into separate long-term supply agreements with Apple Inc. to supply LCD panels for 5 years. We have received long-term advances from Apple Inc. in the amount of US\$580 million in connection with these agreements, which will be offset as consideration for products supplied to Apple Inc. Furthermore, the Industrial Bank of Korea provided us with a payment guarantee in the amount of US\$100 million relating to the long-term advances received from Apple Inc.

Table of Contents**9. Research & Development**

A. Summary of R&D expenses

Account		(Unit: In millions of Won)		
		2010* (Q1-Q3)	2009*	2008**
	Material Cost	420,905	400,467	302,445
	Labor Cost	207,951	191,507	128,041
	Depreciation Expense	62,223	89,459	21,679
	Others	79,162	92,905	49,027
	Total R&D Expense	770,241	774,338	501,192
	Selling & Administrative Expenses	185,508	168,081	148,037
Accounting Treatment	Manufacturing Cost	503,907	505,582	353,155
	Development Cost (Intangible Assets)	80,826	100,675	
R&D Expense / Sales Ratio				
[Total R&D Expense÷Sales for the period×100]		4.0%	3.8%	3.2%

* Based on separate K-IFRS.

** Based on non-consolidated Korean GAAP.

B. R&D achievements

[Achievements in 2008]

1) 42FHD Ultra-Slim LCD television development

Development of ultra-slim (19.8mm in thickness) 42-inch television panel

2) 37FHD COF adoption LCD television development

Cost reduction with TCP g COF change: \$2.4 (as of March 2008)

3) CCFL scanning backlight technology development

Achieve 6ms MPRT from 8ms

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- 4) 24WUXGA monitor model development applying RGB LED backlight

High color gamut (NTSC > 105%), color depth (10 bit)

- 5) 13.3-inch notebook computer model development applying LED backlight

Thin & Light model development applying LED backlight and COG technology (3.5mm in thickness, 275g in weight)

- 6) IPS GIP technology development

Developed LCD industry's first WUXGA GIP technology in wide view mode area (IPS, VA)

Comparative advantage in cost & transmittance over VA

- 7) Notebook computer model development applying RGB LED backlight

High color gamut (100%) notebook computer model development applied RGB LED backlight

- 8) Free form LCD development (Elliptical, Circle)

Development of the world's largest 6-inch elliptical and 1.4-inch circular-shaped LCD panels

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Developing non-traditional shaped displays by applying (i) error-free, cutting-edge techniques to overcome technical limitations in making curved LCD panels, (ii) accumulated panel design knowledge and (iii) unique screen information processing algorithm

Potential applications of the elliptical-shaped LCD panels include digital photo frame, as well as instrument panels for automobiles and home electronics. The circular LCD panel is expected to make a huge impact in the design of small digital devices like mobile phones, watches and gaming devices.

9) 42HD power consumption saving technology development

Power consumption reduction using lamp mura coverage technology which reduces the number of lamps used for B/L from 18pcs (160W) to 9pcs (80W) in case of 42-inch HD LCD panels

10) New liquid crystal development

CR: Up 5% compared with the MP level

Material cost is similar to the MP material

11) New AG Polarizer development

New Polarizer which has a low CR drop ratio under bright room condition

CR drop ratio under 1,500lux compared with dark room condition : 82% g 67%

12) PSM (Potential Sharing Method) technology development
(Improves the Yogore mura characteristics by applying a different electric circuit driving method)

The time for Yogore mura occurrence delayed by more than 50%
: Black line 1level base, 552Hrs, 720Hrs g 1,392Hrs, 2,064Hrsh

13) LED backlight 47FHD television model in development

Development of next generation light source which enables realization of ultra slim LCD panels

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- 14) 24WUXGA monitor model development applying RGB LED backlight

Our first green & slim monitor model development applying white LED backlight (thickness 18.3mm)

Our first display port interface type monitor

- 15) Line up of aspect ratio 16:9 wide models (185W, 23W, 27W)

16:9 models provide for better productivity and larger contents area than existing 16:10 models

Supports HD or FHD that are compatible with television applications

Development of our first 27W size model

- 16) Power consumption saving monitor model development

Reduces power consumption by 40% by decreasing the number of B/L lamps from 4pcs to 2pcs (17SXGA, 19SXGA, 185WXGA, 19WXGA+, 22WSXGA+)

- 17) Notebook model development applying VIC (Viewing Image Control) technology

Unlike existing models which use external polarizer attachments to adjust viewing angles, the VIC technology allows for the adjustment to be controlled by the LCD panel itself. (Wide viewing angle « Narrow viewing angle)

- 18) Notebook model development applying 0.3t glass

Thin & Light model development applying 0.3t glass

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- 19) 8.9-inch small-sized notebook (netbook) model development

Development of minimum size notebook model for improved portability

- 20) New aspect ratio 16:9 notebook model development

Existing aspect ratios: 16:10, 4:3

New aspect ratio 16:9, 15.6-inch notebook model development

- 21) Development of highest resolution for mobile application that uses the a-Si method.

Development of the world's first 3-inch WVGA LCD panels (300ppi)

- 22) 42FHD super narrow bezel LCD television development

Development of narrow bezel (10.0mm in metal bezel) 42-inch television panel

- 23) 47FHD slim depth & narrow bezel LCD television development

Development of slim (20.8mm in thickness) & narrow bezel (14.0mm in metal bezel) 47-inch television panel

- 24) Display port development

Securing the next generation Interface technology that will replace the current LVDS interface: Decreases the number of connector pins from 91pin (51+41) to 30pin and improves EMI characteristics

- 25) LCM rotation circuit development

Increases the design flexibility of television sets by using a 180° screen rotation function

- 26) Small- to medium-sized television model development

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To meet increased demand for secondary television sets

19/22/26 inch model development

- 27) 55FHD television model development

Development of 55-inch (a new category) television panel applying scanning B/L technology

- 28) Development of television model applying GIP+TRD technology

Development of 32-inch and 26-inch HD television applying GIP+TRD technology

- 29) One PCB structure development

Achieving cost reduction by combining Source PCB with Control PCB: \$1.94g\$1.1

- 30) 42FHD Gate Single Bank technology development

Reduction in gate driver integrated circuits by applying 42FHD Gate Single Bank technology: 8ea g 4ea

- 31) 22-inch WSXGA+ model development for Economy IPS Monitor

Development of the world's first Economy IPS 22-inch WSXGA+ model

Achieving cost competitiveness by applying various cost reduction technologies, including DBEF-D sheet deletion

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- 32) 21.5-inch TN FHD model development applying 960ch source driver integrated circuits chip

Development of LG Display's first 21.5-inch wide-format TN FHD model

Increased cost competitiveness by applying 960ch source driver integrated circuits chip, which reduces the number of integrated circuits: 8ea g 6ea

- 33) 27-inch TN FHD model development applying BDI (Black Data Insertion) technology

Development of LG Display's first 27-inch wide-format TN FHD model that applies BDI technology, which removes motion picture afterimages

Applying CCA (Color Compensation Algorithm) technology that enables the display of superior color tone

Achieving 16:9 aspect ratio, more than 2.07 million pixel and FHD Resolution

- 34) a-Si TFT based 3-inch DOD AMOLED technology development

Development of the world's first 3-inch AMOLED applying a-Si TFT and DOD Structure

Possible to use prior LCD infrastructure (a-Si TFT) to develop AMOLED

- 35) Development of AMOLED applying new crystallization (A-SPC) technology

Development of the world's first AMOLED applying non-laser crystallization method (A-SPC)

Development of the world's largest AMOLED television (15-inch HD)

[Achievements in 2009]

- 36) Developments of 15.6-inch, 18.5-inch HD monitors for emerging market

Achieving cost reduction by focusing on basic functions and by applying GIP and DRD

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37) Development of 22-inch WSXGA+ monitor applying White LED backlight

Development of our first environmentally friendly slim model (14.5mm in thickness)

Reduces power consumption by 47% compared to conventional CCFL model by applying White LED backlight

38) Development of 24-inch WUXGA+ monitor applying GIP

Development of the world's first monitor applying IPS GIP technology

Increased cost competitiveness by applying 960ch source driver integrated circuits chip, which reduces the number of integrated circuits: 8ea to 6ea

39) Development of 55/47/42-inch FHD LED models

Development of Direct thicker LED model MP

Realization of TM240Hz

40) 240Hz driving technology development

Development of the world's first 1 Gate 1 Drain 240Hz driving technology

41) Development of low voltage liquid crystal development

Improving contrast ratio by 2.7%

Decreases voltage used in liquid crystals reducing circuit heat; decreases voltage by 6.9%

Table of Contents

- 42) Development of Ez (Easy) Gamma technology

Minimize Gamma difference by using new measuring algorithm: 2.2 ± 0.6 g 2.2 ± 0.25

- 43) Development of 22-inch White+ technology

Increases transmissivity by 66% by using White+ Quad type pixel structure

- 44) Development of 55FHD direct slim LED model

Development of the world's first direct-mounted 16.3mm depth slim LCM

Realization of 240 block local dimming and Trumotion 240Hz

- 45) Development of 42HD GIP +TRD technology

The world's first application of the 42HD GIP + TRD structure

Removal of gate drive integrated circuits: 3ea g 0ea

Reduction in source drive integrated circuits: 6ea g 2ea

- 46) Development of TV3 CR5 Color PR

Realization of 100% BT709 reiteration rate by applying RGB Color Locus

Achieving a 5% increase in CR by decreasing size of Color PR pigment

- 47) Development of the world's first slim 27W FHD TN monitors

Reduces thickness by applying edge-mounted backlight: 37.2t g 21.6t

Reduces power consumption by 60% compared to conventional models by applying 4Lamp

Realization of MPRT 8ms by applying BDI technology

- 48) Development of the world's first 25W FHD TN new size monitors

Development of new aspect ratio model: 16:9 wide-format

Reduction in the number of driver integrated circuits by applying 960ch Source Driver: 8ea g 6ea

Removal of gate driver integrated circuits by applying GIP technology

- 49) Development of 16:9 wide-format power consumption saving monitors (200W HD+, 215W FHD, 230W FHD)

Reduces power consumption by 40% compared to conventional models by applying 2Lamp

Slim design which reduces thickness: 17.0t g 14.5t

To meet Energy Star 5.0 standards

- 50) Development of the world's first 22-inch WSXGA+ DRD (Double Rate Driving) monitors

A 50% reduction in source driver integrated circuits by applying Double Rate Driving technology: 8ea g

4ea

Removal of gate driver integrated circuits by applying GIP technology

Application of optimum thin-film transistor structure for Double Rate Driving monitors

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- 51) Development of the world's first 23W e-IPS monitors

Slim design: Reduces thickness by applying edge-mounted backlight: 35.7t g 17t

Reduces power consumption by 50% compared to conventional model by applying 4Lamp

Realization of high aperture ratio by applying UH-IPS technology

Reduction in the number of integrated circuits by applying 960ch source driver: 8ea g 6ea

Removal of gate driver integrated circuits by applying GIP technology

To meet Energy Star 5.0 standards

- 52) Development of high efficiency backlight technology

Removal of DBDEF-D Sheet by increasing backlight luminance level by more than 30% g development of high efficiency lamp and improvement of optics sheet optical efficiency

- 53) Development of GIP and high aperture ratio technology for QHD IPS model

Stable GIP output in QHD IPS models

Maximizing transmissivity by applying UH-IPS technology and asymmetric pixel design

- 54) Development of three-dimensional display technology using the shutter glasses method.

Realization of stable rate of 172Hz

Realization of 4port low voltage differential signaling frequencies at a rate of 400MHz

Realization of ODC (Over Driver Circuit) tuning of GTG 3.5ms which is optimum for three-dimensional display

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- 55) Development of 17.1-inch wide-format slim (flat type) panel applying COG (Chip On Panel) chip, our largest slim (flat type) panel

Development of our largest size slim (flat type) model (previously, our largest model was the 15.4-inch wide-format)

Reduction in thickness: 6.5mm g 4.3mm

- 56) Development of new high resolution 101W model (1024x600, 1366x768)

Achieving higher resolution: 1024x576 g 1024x600, 1366x768

- 57) Development of world's first 17.3-inch HD+ LED panel for notebook computers

New size and resolution for 16:9 wide-format

Existing model: 17.1-inch WXGA+ 1400x900 / New model: 17.3-inch HD+ 1600x900

- 58) Development of 13.3-inch HD LED panel for notebook computers

New size and resolution for 16:9 wide-format

- 59) Development of world's first 14.0-inch HD+ LED panel for notebook computers

New size and HD+ resolution (1600x900) for 16:9 wide-format

- 60) Development of world's first 15.6-inch HD+ LED panel for notebook computers

First HD+ resolution (1600x900) for 16:9 wide-format

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- 61) Development of world's first 15.6-inch FHD LED panel for notebook computers

First FHD resolution (1920x1080) for 16:9 wide-format

- 62) Development of the first Green PC models (13.3-inch, 14.0-inch, 15.6-inch)

First models applying Green product concept (halogen free, low power consumption)

- 63) Development of DRD (Double Rate Driving) technology applying COG (Chip on Glass)

Development of the first COG that applies DRD technology (a 50% reduction in the number of COG drive integrated circuits)

- 64) Development of 10.1-inch SD (1024 x 600) model for netbooks

Improved resolution: 1024 x 576g1024 x 600

Reduction in cost by applying COG instead of COF

- 65) Development of 10.1-inch HD (1366 x 768) model for netbooks

Highest resolution among 10.1-inch models

Reduction in cost by applying GIP technology

- 66) Development of 17.1-inch WUXGA flat type model

Development of largest flat type model (previously, largest model was 15.4-inch)

The thinnest among 17.1-inch models

Reduction in thickness: 6.5t g 4.3t

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- 67) Developments of 11.6-inch HD monitor for netbooks
- Development of largest/ highest resolution monitor for netbooks
 - Reduction in cost by applying GIP technology
- 68) Development of low-cost 26-inch and 32-inch HD model for televisions
- World's first monitor without a cover shield
 - Application of sheet type support side
 - Reduction in cost by applying low-cost single bottom covers for mold frames
- 69) Development of large-sized (42-inch/47-inch) edge type LED LCD model for televisions
- Development of our first model for televisions applying edge type LED backlight (mass production commenced in September 2009)
 - Slim depth (11.9mm in thickness) & narrow bezel (18mm in thickness)
- 70) Development of world's first S/D-IC + Tcon merging technology applicable to television monitors
- Minimizing size of printed circuit board by applying 1380ch S/D-IC + ASIC technology and removing ASIC chip
 - A 49% cost reduction in manufacturing circuits
- 71) Achieving a full product line-up for netbook monitors
- A full product line-up that covers the full spectrum of netbook monitor sizes from 8.9-inch to 11.6-inch models

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- 72) Development of our first flat type monitor for netbooks

Development of 11.6-inch flat type HD monitor

- 73) Development of new LED-applied model utilizing vertical LED array technology

Development of 15.6-inch HD model applying vertical LED array technology (technology applied in existing models: horizontal LED array)

Reduction in power consumption and raw material costs

- 74) Development of world's first 21.5W FHD IPS monitor applying white LED backlight technology

Application of environmentally friendly components including white LED backlight and halogen free parts

Achievement of high luminance (more than 330nit) by applying high efficiency white LED backlight

A 100% sRGB coverage

- 75) Development of world's first 27W QHD IPS monitor applying white LED backlight technology

Application of environmentally friendly components including white LED backlight and halogen free parts

Achievement of high luminance (more than 380nit) by applying high efficiency white LED backlight

A 100% sRGB coverage

Realization of high resolution (2560x1440)

Removal of gate driver integrated circuits by applying GIP technology

- 76) Development of world's first 19-inch WXGA monitor applying DRD (Double Rate Driver)

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A 50% reduction in the number of source driver integrated circuits by applying DRD (Double Rate Driving) technology

Removal of gate driver integrated circuits by applying GIP technology

Optimization of TFT design structure for DRD (Double Rate Driver) technology

77) Development of world's first 22W e-IPS monitor applying GIP technology

Achievement of high aperture ratio by applying UH-IPS technology

Reduction in the number of source driver integrated circuits by applying 960 channel chip (8eag6ea)

Removal of gate driver integrated circuits by applying GIP technology

78) Development of world's first QHD new high resolution monitor (27W QHD)

Achievement of high resolution (2560 x 1440)

Maximization of aperture ratio applying UH-IPS technology and elimination of gate driver integrated circuits by applying GIP technology

Achievement of high luminance and sRGB coverage of 100% applying high efficiency white LED

79) Development of world's first monitor applying GIP, DRD (Double Rate Driver) and I-VCOM monitor (185W HD)

50% reduction in the number of source driver integrated circuits by applying DRD (Double Rate Driving) technology

Elimination of gate driver integrated circuits by applying GIP technology

Elimination of DBEF Optical sheet by applying I-VCOM technology and optical efficiency improvement in backlight

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- 80) Development of shutter glass type three-dimensional monitor with full high definition

172Hz operation frame rate

Highest data interface speed of over 400MHz in 4port LVDS interface and achievement of GTG 3.5ms by optimal tuning of ODC (Over Driving Circuit)

- 81) One layer vertical LED monitor development and reinforcement of monitor product line up (200W HD+, 215W FHD, 230W FHD)

Minimization of the number of LED PKG applying vertical array structure

Elimination of DBEF Sheet applying two-in-one LED PKG

Slim design: optimization of mechanical structure

- 82) Development of world's first notebook monitor applying 2ea Sheet Backlight

Achieving cost competitiveness by switching from conventional 3~4ea sheet to 2ea complex sheet backlight (with the Diffuser Sheet eliminated)

[Achievements in 2010]

- 83) Development of 9.7-inch AH-IPS model for Apple's i-Pad.

Development of the world's first IPS Tablet

Achieving the following viewing angles by applying AH-IPS: top (80°) / bottom (80°) / left (80°) / right (80°)

- 84) Development of second Green PC products (13.3-inch, 14.0-inch and 15.6-inch in high-definition)

Thin and light; low electricity consumption thereby increasing battery life

Development of Company-led flat product market

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- 85) Development of world's first TruMotion 480Hz product (47-inch and 55-inch in full high-definition)

World's first application of 240hz driving technology and scanning technology to achieve TruMotion 480Hz.

50% reduction in source driver integrated circuits (from 16ea to 8ea) by applying 1 gate 1 drain technology

- 86) World's first full high-definition 47-inch three-dimensional display panels using Glass Patterned Retarder (GPR) technology

Achieving full high-definition for three-dimensional display panels using GPR technology

- 87) Development of our first large-sized display panels viewable in three-dimension using shutter glasses (42-inch, 47-inch, 55-inch in full high-definition)

Achieving high aperture ratio by applying S-IPS V technology

Removal of gate driver integrated circuits by applying GIP technology

Reduction in the number of integrated circuits (from 8ea to 6ea) by applying 960Ch source driver integrated circuits

- 88) World's first LCD product which uses the LCD monitor's bottom cover as the back cover of a television set (32-inch, 37-inch and 42-inch in full high-definition)

Removal of the television set back cover by replacing it with the LCD monitor's bottom cover. Co-designed with a third party

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- 89) Development of 42-inch and 47-inch full high-definition display panels for television to be sold in emerging markets

Focusing on basic functions and removing functions that are costly

Achieving cost reduction by applying GIP technology

- 90) Development of intra interface technology for large-sized, high resolution, high frequency display panels

Improved data transmission rate (from 660Mbps to 1.6Gbps)

Developing slim PCBs by decreasing the number of transmission lines

- 91) Development of our first 21.5-inch and 26-inch full high-definition Edge LED products

Application of 21.5-inch, 26-inch full high-definition TV LED BL and mid-sized full high-definition model Slim TCON (176Pin g 88Pin)

- 92) Development of our first 32 high-definition Edge LED product

Application of 32-inch high-definition TV Edge LED BL

- 93) Development of our first 37-inch full high-definition M240Hz product

Development of 37-inch full high-definition 240Hz panel. Development and mass production of MEMC 240Hz with TCON model.

- 94) Development of 240Hz panel for LG Electronics Borderless TV

Development of Narrow Bezel 240Hz panel (Bezel 14mm g 7mm) for LG Electronics Borderless TV

- 95) Development of the world's first slim 23W full high-definition monitor in IPS mode

Slim design by applying slim-type LED backlight (thickness: 14.5t g 11.5t)

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Cost saving by applying low voltage liquid crystal

Removal of gate driver integrated circuits by applying GIP technology

- 96) Development of the world's first slim 185W high-definition monitor in TN mode

Slim design by applying slim-type LED backlight (thickness: 11.5t g 9.7t)

50% reduction in source driver integrated circuits by applying DRD (Double Rate Driving) technology

Elimination of optical sheet by applying new TFT structure technology (I-VCOM)

Removal of gate driver integrated circuits by applying GIP technology

- 97) Development of 42-inch, 47-inch and 55-inch full high-definition monitors applying low cell gap (3.1 g 2.8 μ m) technology

Enhanced 3D performance (3D CrossTalk 10.x% g 5.x%)

[World's first] application of this technology in 42-inch, 47 inch and 55-inch full high-definition products

- 98) Development of ultra slim 0.2t glass 12.1-inch notebook computer

Realization of ultra slim product by applying 0.2t glass and flat screen backlight structure

- 99) Development of world's first ultra slim 19SX TN monitor

Slim design by applying slim type LED backlight (thickness: 15.5 g 9.9t)

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50% reduction (6ea to 3ea) in the number of source driver integrated circuits by applying DRD (Double Rate Driving) technology

Elimination of gate driver integrated circuits by applying GIP technology

100) Development of 215FHD e-IPS monitor products applying LED PKG

Reduction in the number of LED and LED array cost through optimization of LED PKG's beam and size

Realization of 2 sheet structure by adopting I-VCOM resulting in increased transmittance and backlight luminance

Elimination of gate driver integrated circuits by applying GIP technology

Minimization of LCM thickness by applying thin LED array structure (14.5t g 10.2t)

101) Development and application of LED PKG in 215FHD TN monitor products

Reduction in the number of LED and LED array cost through optimization of LED PKG's beam and size

Elimination of DBEF sheet by adopting I-VCOM resulting in increased transmittance and backlight luminance

Elimination of gate driver integrated circuits by applying GIP technology

Minimization of LCM thickness by applying thin LED array structure (14.5t g 10.2t)

102) Development of world's first slim TN monitor (185W HD, 20W HD+, 215W/23W FHD)

Developing ultra slim monitor by cooperating with set makers in the design process (SET standard: over 20t g 12.9t)

Minimization of LCM thickness by applying thin LED array structure (11.5t g 8.2t)

Simplification of circuit by developing T-con + Scaler 1chip

103) Development of world's first ultra slim 215W FHD TN monitor

Developing ultra slim monitor by cooperating with set makers in the design process (SET standard: 12.9t g 7.2t)

Minimization of LCM thickness by applying thin LED array structure (8.2t g 6t)

10. Customer Service

In order to highlight the importance of creating customer value, we have formulated a roadmap toward creating customer value and have shared this information with all of our employees. Through our "Voice of Customer" campaign, we have responded to customer feedback including complaints, suggestions, praises, enquiries and requests as soon as they were made and we have made efforts to change any negative feedback made by a customer into a positive feedback through such prompt response. In addition, in order to support our customers, we have established IPS camps and have cooperated with our customers to promote IPS technology. Furthermore, we have hosted "Why LGD" campaigns in order to provide superior products and services to our customers including in the areas of technology, quality, responsiveness, delivery and cost. We also monitor customer opinion through annual customer satisfaction surveys and customer interviews, and the results of such surveys and interviews are reflected in the performance evaluation of our executive officers.

11. Intellectual Property

As of September 30, 2010, we held a total of 13,715 patents, including 6,172 in Korea and 7,543 in other countries.

Table of Contents**12. Environmental Matters**

We are subject to strict environmental 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 a variety of laws and regulations relating to the use, storage, discharge and disposal of such chemical by-products and waste substances. We have installed various types of anti-pollution equipment, consistent with industry 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.

We have also voluntarily agreed to reduce emission of greenhouse gases, such as per fluoro compounds, or PFCs, and sulfur hexafluoride, or SF6, gases, by installing PFC abatement systems to meet voluntary emissions targets for the TFT-LCD industry by 2010. We installed PFC abatement systems at all of our production lines when the production facilities were being constructed. We also installed a SF6 abatement system in P1 in April 2005 and in P6 in December 2009 and we intend to install similar abatement systems in our other production facilities through implementation of Clean Development Mechanism, or CDM, projects. On July 10, 2010, we became the first TFT-LCD company to receive the CDM Executive Board's approval on its CDM project design document for SF6 decomposition.

In addition, as of September 30, 2010, we were party to voluntary agreements, which reflect a coordinated energy conservation initiative between government and industry, with respect to our operation of P1 through P8, the Gumi module production plant and the Paju module production plant. In accordance with such agreements, we have implemented a variety of energy-saving measures in those facilities, including installation of energy saving devices and consulting with energy conservation specialists. We also established an overall greenhouse gas emissions inventory system for our domestic sites, which was verified by Lloyd's Register Quality Assurance, which is certified as the designated operational entity for CDM by the CDM Executive Board. Operations at our manufacturing plants are subject to regulation and periodic monitoring by the Korean Ministry of Environment and local environmental protection authorities. We believe that we have adopted adequate anti-pollution measures for the effective maintenance of environmental protection standards consistent with local industry practice, and 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 for each environmental area, including air quality, water quality, toxic materials and radiation. We currently have ISO 14001 certifications with respect to the environmental record for P1 through P8, our OLED production facility in Gumi, Korea, our Gumi module production plant and our Paju module production plant, as well as our module production plants in Nanjing and Guangzhou, China. We have been certified by the Korean Ministry of Environment as a Green Company, with respect to our environmental record for P1 and our module production plant in Gumi since 1997, with respect to our operations at P2 and P3 since 2006, and with respect to our operations at P4, P5 and P6 since 2008.

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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 2002/95/EC, which took effect in July 2006, and restricts the use of certain hazardous substances in the manufacture of electrical and electronic equipment.

In October 2005, we became the first TFT-LCD company to receive accreditation as an International Accredited Testing Laboratory by the Korea Laboratory Accreditation Scheme, which is operated by the Korean Ministry of Knowledge Economy. In September 2006, we received international accreditation from TUV SUD, EU's German accreditation agency, as a RoHS testing laboratory. Moreover, we participated in reforming IEC 62321 by 2012, a RoHS international testing standard, by including a halogen-free combustion ion chromatography method in our committee draft that we submitted in June 2010.

In addition, we have implemented a green purchasing system that prevents the use of hazardous materials from the purchasing stage. As a result of the green purchasing system, we are in compliance with RoHS and other applicable environmental laws and regulation, and we became the first TFT-LCD company to receive the Hazardous Substance Process Management QC080000 certification, or HSPM, from the International Electrotechnical Commission. HSPM is used to help companies manage their hazardous materials and be in compliance with RoHS.

13. Financial Information**A. Financial highlights (Based on consolidated K-IFRS)**

Description	(Unit: In millions of Won, except for per share data)	
	As of September 30, 2010	As of December 31, 2009
Current Assets	9,640,830	8,226,142
Quick Assets	7,149,223	6,558,362
Inventories	2,491,607	1,667,780
Non-current Assets	14,151,964	11,477,335
Investments	336,170	409,145
Tangible Assets	12,193,524	9,596,497
Intangible Assets	438,852	352,393
Other Non-current Asset	1,183,418	1,119,300
Total Assets	23,792,794	19,703,477
Current Liabilities	9,017,635	6,495,071
Non-current Liabilities	3,485,837	3,168,657
Total Liabilities	12,503,472	9,663,728
Capital Stock	1,789,079	1,789,079
Capital Surplus	2,251,113	2,251,113
Capital Adjustment		
Other Accumulated Comprehensive Income (Loss)	(45,677)	(51,005)
Retained Earnings	7,294,807	6,050,562
Total Shareholder's Equity	11,289,322	10,039,749

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Description	(Unit: In millions of Won)	
	For the nine months ended September 30, 2010	For the nine months ended September 30, 2009
Sales Revenues	19,028,172	14,132,558
Operating Income (Loss)	1,697,470	696,985
Income (Loss) from continuing operation	1,427,606	615,654
Net Income (Loss)	1,427,606	615,654
Earnings (Loss) per share basic	3,987	1,721
Earnings (Loss) per share diluted	3,892	1,721

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

Description	(Unit: In millions of Won, except for per share data)	
	As of September 30, 2010	As of December 31, 2009
Current Assets	9,245,369	7,973,355
Quick Assets	7,264,934	6,687,050
Inventories	1,980,435	1,286,305
Non-current Assets	13,785,732	11,283,512
Investments	1,247,341	1,188,857
Tangible Assets	11,046,494	8,730,263
Intangible Assets	422,026	340,885
Other Non-current Asset	1,069,871	1,023,507
Total Assets	23,031,101	19,256,867
Current Liabilities	8,484,289	6,120,663
Non-current Liabilities	3,397,371	3,102,006
Total Liabilities	11,881,660	9,222,669
Capital Stock	1,789,079	1,789,079
Capital Surplus	2,251,113	2,251,113
Capital Adjustment		
Other Accumulated Comprehensive Income (Loss)	(7,890)	(17,366)
Retained Earnings	7,117,139	6,011,372
Total Shareholder's Equity	11,149,441	10,034,198

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Description	For the nine months	(Unit: In millions of Won)
	ended September 30, 2010	For the nine months ended September 30, 2009
Sales Revenues	18,793,301	14,194,396
Operating Income (Loss)	1,453,412	728,392
Income (Loss) from continuing operation	1,305,635	662,199
Net Income (Loss)	1,305,635	662,199
Earnings (Loss) per share basic	3,649	1,851
Earnings (Loss) per share diluted	3,558	1,851

C. Consolidated subsidiaries (as of September 30, 2010)

Company	Primary Business	Location	Ownership Ratio
LG Display America, Inc.	Sales	U.S.A	100%
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	80%
LG Display Guangzhou Co., Ltd.	Manufacturing and sales	China	90%
LG Display Shenzhen Co., Ltd.	Sales	China	100%
LG Display Singapore Pte. Ltd.	Sales	Singapore	100%
L&T Display Technology (Xiamen) Co., Ltd.	Manufacturing	China	51%
L&T Display Technology (Fujian) Co., Ltd.	Manufacturing	China	51%
LG Display Yantai Co., Ltd.	Manufacturing and sales	China	100%

* In July 2010, LG Display Nanjing Co., Ltd. acquired and merged with LG Electronics (Nanjing) Plasma.

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D. Status of equity investment

Status of equity investment as of September 30, 2010:

Company	Paid-in Capital	Initial Equity Investment Date	Ownership Ratio
LG Display America, Inc.	US\$ 105,000,000	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 2,253,753,055	July 15, 2002	100%
LG Display Shanghai Co., Ltd.	CNY 4,138,650	January 16, 2003	100%
LG Display Poland Sp. zo.o.	PLN 410,327,700	September 6, 2005	80%
LG Display Guangzhou Co., Ltd.	CNY 895,904,754	August 7, 2006	90%
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) Co., Ltd.	CNY 41,785,824	January 5, 2010	51%
L&T Display Technology (Fujian) Co., Ltd.	CNY 59,197,026	January 5, 2010	51%
LG Display Yantai Co., Ltd.	CNY 273,048,000	April 19, 2010	100%
Suzhou Raken Technology Co., Ltd.	CNY 472,319,351	October 7, 2008	51%
Paju Electric Glass Co., Ltd.	(Won) 14,400,000,000	March 25, 2005	40%
TLI Co., Ltd.	(Won) 14,073,806,250	May 16, 2008	13%
AVACO Co., Ltd.	(Won) 6,172,728,120	June 9, 2008	20%
Guangzhou Vision Display Technology Research and Development Limited	CNY 25,000,000	July 11, 2008	50%
NEW OPTICS, Ltd.	(Won) 12,199,600,000	July 30, 2008	42%
LIG ADP Co., Ltd. (formerly ADP Engineering Co., Ltd.)	(Won) 6,330,000,000	February 24, 2009	13%
Wooree LED Co., Ltd.	(Won) 11,900,000,000	May 22, 2009	30%
Dynamic Solar Design Co., Ltd.	(Won) 6,066,658,000	June 24, 2009	40%
RPO, Inc.	US\$ 12,285,022	November 3, 2009	26%
Global OLED Technology LLC	US\$ 45,170,000	December 23, 2009	33%
LB Gemini New Growth Fund No.16	(Won) 8,280,000,000	December 7, 2009	31%
Can Yang Investment Ltd.	CNY 73,729,230	January 27, 2010	15%
YAS Co., Ltd.	(Won) 10,000,000,000	September 16, 2010	20%
Eralite Optoelectronics (Jiangsu) Co., Ltd.	US\$ 4,000,000	September 28, 2010	20%

Table of Contents**14. Audit Information**

A. Audit service

Description	(Unit: In millions of Won, hours)		
	2010 (Q1-Q3)	2009	2008
Auditor	KPMG Samjong	KPMG Samjong	KPMG Samjong
Activity	Audit by independent auditor	Audit by independent auditor	Audit by independent auditor
Compensation*	850 (585)**	700 (540)***	750 (750)****
Time required	8,802	17,569	23,100

* Compensation amount is the contracted amount for the full fiscal year.

** Compensation amount in () is for K-IFRS audit, 20-F filing and SOX404 audit.

*** Compensation amount in () is for US-GAAP audit, 20-F filing and SOX404 audit.

**** Compensation amount in () is for US-GAAP audit and review and SOX404 audit.

B. Non-audit service

Fiscal Year	(Unit: In millions of Won)			
	Independent Auditor	Contract Date	Detail	Compensation
2010	KPMG Samjong	May 6, 2010	Agreed procedure regarding Company B	106

Table of Contents**15. Board of Directors****A. Independence of Directors**

Outside director: Independent

Non-outside director: Not independent

Each of our outside directors meets the applicable independence standards set forth under the applicable laws and regulations. Each of our outside directors was nominated by the Outside Director Nomination and Corporate Governance Committee, was approved by the board of directors and was appointed at the general meeting of shareholders. None of our outside directors has or had any business transaction or any related party transactions with us. Our outside directors are comprised of four persons including three who are members of our audit committee. Of the remaining outside directors, Dongwoo Chun is currently serving as Chairman of the Outside Director Nomination and Corporate Governance Committee. As of September 30, 2010, our non-outside directors were comprised of the chief executive officer, the chief financial officer and a non-standing director.

B. Members of the Board of Directors

Members of the Board of Directors (as of September 30, 2010)

Name	Date of birth	Position	Business experience	First Elected
Young Soo Kwon	February 6, 1957	Representative Director, President and Chief Executive Officer	President and Chief Financial Officer of LG Electronics	January 1, 2007
James (Hoyoung) Jeong	November 2, 1961	Director and Chief Financial Officer	Executive Vice President and Chief Financial Officer of LG Electronics	January 1, 2008
Do Hyun Jung	April 9, 1957	Director	Executive Vice President and Chief Financial Officer of LG Electronics	March 12, 2010
Tae Sik Ahn	March 21, 1956	Outside Director	Dean, College of Business Administration and Graduate School of Business, Seoul National University	March 12, 2010
Dongwoo Chun	January 15, 1945	Outside Director	Outside Director of Pixelplus	March 23, 2005
Yoshihide Nakamura	October 22, 1942	Outside Director	President of ULDAGE, Inc.	February 29, 2008

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William Y. Kim

June 6, 1956

Outside Director

Partner at Ropes &
Gray LLP

February 29, 2008

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C. Committees of the Board of Directors
Committees of the Board of Directors (as of September 30, 2010):

Committee	Composition	Member
Audit Committee	3 outside directors	Tae Sik Ahn, Yoshihide Nakamura, William Y. Kim
Outside Director Nomination and Corporate Governance Committee	1 non-outside director and 2 outside directors	Do Hyun Jung, Dongwoo Chun, William Y. Kim
Remuneration Committee	1 non-outside director and 2 outside directors	Do Hyun Jung, Dongwoo Chun, Tae Sik Ahn

16. Information Regarding Shares

A. Total Number of Shares

- (1) Total number of shares authorized to be issued (as of September 30, 2010): 500,000,000 shares.
- (2) Total shares issued and outstanding (as of September 30, 2010): 357,815,700 shares.

B. Shareholder list

- (1) Largest shareholder and related parties:

Name	Relationship	(Unit: share) As of September 30, 2010
LG Electronics	Largest Shareholder	135,625,000 (37.9%)
Young Soo Kwon	Related Party	13,000 (0.0%)

- (2) Shareholders who are known to us to own 5% or more of our shares as of September 30, 2010:

Beneficial Owner	Number of Shares of Common Stock	Percentage
LG Electronics	135,625,000	37.9%

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National Pension Service

18,034,737

5.04%

Table of Contents**17. Directors and Employees**

A. Directors

(1) Remuneration for directors in 2010 (Q1~Q3)

(Unit: In millions of Won)

Classification	Amount paid	Approved payment amount at shareholders meeting	Per capita average remuneration paid***	Remarks
Directors who are executive officers	1,756		878	
Directors nominated by LG Electronics		8,500		
Outside Directors	177**		43	-Three of our outside directors are members of the audit committee.

* Period: January 1, 2010 ~ September 30, 2010

* Amount paid is calculated on the basis of actually paid amount except accrued salary and severance benefits.

** Amount paid to outside directors includes remuneration for Ingoo Han, whose term expired on March 12, 2010.

*** Per capita average remuneration paid is calculated by dividing total amount paid by the average number of non-outside/outside directors for the nine months ended September 30, 2010.

(2) Stock option

The following table sets forth certain information regarding our stock options as of September 30, 2010.

Executive Officers (including Former Officers)	Grant Date	Exercise Period		Exercise Price	(Unit: Won, Stock)			
		From	To		Number of Granted Options	Number of Exercised Options	Number of Cancelled Options*	Number of Exercisable Options*
Ron H. Wirahadiraksa	April 7, 2005	April 8, 2008	April 7, 2012	(Won) 44,050	100,000	0	50,000	50,000
Duke M. Koo	April 7, 2005	April 8, 2008	April 7, 2012	(Won) 44,050	40,000	0	20,000	20,000
Sang Deog Yeo	April 7, 2005	April 8, 2008	April 7, 2012	(Won) 44,050	40,000	0	20,000	20,000
Jae Geol Ju	April 7, 2005	April 8, 2008	April 7, 2012	(Won) 44,050	40,000	0	20,000	20,000
Total					220,000		110,000	110,000

* When the increase rate of our share price is the same or less than the increase rate of the Korea Composite Stock Price Index (KOSPI) over the three-year period following the grant date, only 50% of the initially granted shares are exercisable. Since the increase rate of our share price was lower than the increase rate of KOSPI during the period from April 7, 2005 to April 7, 2008, only 50% of the 220,000 initially granted shares are exercisable.

Table of Contents**B. Employees**

As of September 30, 2010, we had 28,874 employees (excluding our executive officers). The total amount of salary paid to our employees for the nine months ended September 30, 2010 based on cash payment (excluding welfare benefits and retirement expenses) was (Won)852,418 million. The following table provides details of our employees as of September 30, 2010:

Office Worker	Details of Employees		Total	Total Salary in 2010 (Q1~Q3)*	(Unit: person, in millions of Won)	
	Production Worker	Others			Per Capita Salary**	Average Service Year
9,802	19,072		28,874	852,418	31.8	4.2

* Welfare benefits and retirement expenses have been excluded. Total welfare benefit provided to our employees for the nine months ended September 30, 2010 was (Won)176,972 million and the per capita welfare benefit provided was (Won)6.6 million.

* Based on cash payment made in Korea.

* Includes incentive payments to employees who have transferred from our affiliated companies.

** Per Capita Salary is calculated using the average number of employees (26,811) for the nine months ended September 30, 2010.

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Financial Statements

(Unaudited)

September 30, 2010

(With Independent Auditors' Review Report Thereon)

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Independent Auditors' Review Report

Based on a report originally issued in Korean

The Board of Directors and Stockholders

LG Display Co., Ltd.:

We have reviewed the accompanying condensed consolidated statement of financial position of LG Display Co., Ltd. and subsidiaries (the Group) as of September 30, 2010, and the related condensed consolidated statements of comprehensive income for each of the three-month and nine-month periods ended September 30, 2010, changes in equity and cash flows for the nine-month period ended September 30, 2010. Management is responsible for the preparation and fair presentation of these condensed financial statements. Our responsibility is to issue a report on these condensed consolidated interim financial statements based on our review. The accompanying condensed consolidated statements of comprehensive income for each of the three-month and nine-month period ended September 30, 2009, changes in equity and cash flows for the nine-month period ended September 30, 2009, presented for comparative purposes, were not reviewed.

We conducted our review in accordance with the Review Standards for Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. These standards require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review consists principally of inquiries of company personnel and analytical procedures applied to financial data and, thus, provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

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.

We have audited the consolidated statement of financial position as of December 31, 2009, not accompanying this review report, prepared and presented in accordance with accounting principles generally accepted in the Republic of Korea (not Korean International Financial Reporting Standards), and our report thereon, dated February 16, 2010, expressed an unqualified opinion. In addition, we have reviewed the consolidated statements of income, changes in equity and cash flows for nine-month period ended September 30, 2009, not accompanying this review report, prepared and presented in accordance with accounting principles generally accepted in the Republic of Korea (not Korean International Financial Reporting Standards), in accordance with the Review Standards for Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea and our review report thereon, dated October 16, 2009, expressed that nothing had come to our attention that caused us to believe that the consolidated interim financial statements referred to above were not presented fairly in all material respects in accordance with accounting principles generally accepted in the Republic of Korea.

As discussed in note 15 to the condensed consolidated interim financial statements, the Group is under investigations by Korea Fair Trade Commission in Korea, European Commission and antitrust authorities in other countries with respect to possible anti-competitive activities in the LCD industry. In addition, LG Display Co., Ltd. along with its subsidiaries has been named as defendants in a number of federal class actions in the United States and Canada and related individual lawsuits based on alleged antitrust violations concerning the sale of LCD panels, and LG Display Co., Ltd. and certain of its officers and directors have been named as defendants in a federal class action in the United States by shareholders of LG Display Co., Ltd. alleging violations of the U.S. Securities Exchange Act of 1934. The Group estimated and recognized losses related to these legal proceedings. However, actual losses are subject to change in the future based on new developments in each matter, or changes in circumstances, which could be materially different from those estimated and recognized by the Group.

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As discussed in note 2(a), the Group prepared the condensed interim financial statements in accordance with accounting policies management plans to adopt for its first annual financial statements in accordance with Korean International Financial Reporting Standards. The accounting policies applied for the interim financial statements may be changed by management as considered necessary in the course of preparation of its first annual financial statements in accordance with Korean International Financial Reporting Standards for the year ending December 31, 2010.

/s/ KPMG Samjong Accounting Corp.

Seoul, Korea

October 22, 2010

This report is effective as of October 22, 2010, 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 there is a possibility that the above review report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Statements of Financial Position

(Unaudited)

As of September 30, 2010 and December 31, 2009

<i>(In millions of Won)</i>	Note	2010	2009
Assets			
Cash and cash equivalents	10	(Won) 1,244,691	817,982
Deposits in banks	10	1,901,500	2,500,000
Trade accounts and notes receivable, net	10,14,17	3,437,675	2,950,245
Other accounts receivable, net	10,17	278,701	127,340
Other current financial assets	10	11,186	3,856
Inventories	5	2,491,607	1,667,780
Other current assets		275,470	158,939
Total current assets		9,640,830	8,226,142
Investments in equity accounted investees	6	280,406	282,450
Other non-current financial assets		72,417	145,970
Deferred tax assets	20	982,197	926,219
Property, plant and equipment, net	7,18	12,193,524	9,596,497
Intangible assets, net	8,18	438,852	352,393
Other non-current accounts receivable		11,260	11,311
Other non-current assets		173,308	162,495
Total non-current assets		14,151,964	11,477,335
Total assets		(Won) 23,792,794	19,703,477
Liabilities			
Trade accounts and notes payable	10,17	(Won) 2,803,617	2,031,422
Current financial liabilities	9,10	1,855,346	2,007,332
Other accounts payable	10,17	3,146,309	1,596,135
Accrued expenses		470,224	292,250
Income tax payable		231,891	145,326
Provisions		467,197	370,605
Other current liabilities		43,051	52,001
Total current liabilities		9,017,635	6,495,071
Non-current financial liabilities	9,10	2,365,352	2,076,160
Non-current provisions		7,269	5,611
Employee benefits	13	118,649	84,297
Long-term advances received	14	662,360	583,800
Other non-current liabilities		332,207	418,789
Total non-current liabilities		3,485,837	3,168,657
Total liabilities		12,503,472	9,663,728

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Equity			
Share capital	16	1,789,079	1,789,079
Share premium		2,251,113	2,251,113
Reserves	16	(45,677)	(51,005)
Retained earnings		7,277,156	6,050,562
Total equity attributable to equity holders of the Company		11,271,671	10,039,749
Non-controlling interest		17,651	
Total equity		11,289,322	10,039,749
Total liabilities and equity		(Won) 23,792,794	19,703,477

See accompanying notes to the condensed consolidated interim financial statements.

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Statement of Comprehensive Income

(Unaudited)

For the three-month and nine-month periods ended September 30, 2010 and 2009

<i>(In millions of Won, except earnings per share)</i>	Note	For the three-month periods ended September 30		For the nine-month periods ended September 30	
		2010	2009 (Unreviewed)	2010	2009 (Unreviewed)
Revenue	17,18	(Won) 6,697,629	5,817,880	(Won) 19,028,172	14,132,558
Cost of sales	5,11,17	(5,926,362)	(4,591,388)	(15,691,287)	(12,433,872)
Gross profit		771,267	1,226,492	3,336,885	1,698,686
Other income	11	368,381	243,101	1,066,837	1,212,799
Selling expenses	11,12	(245,151)	(149,687)	(650,953)	(446,763)
Administrative expenses	11,12	(135,523)	(78,764)	(383,002)	(217,667)
Research and development expenses	11	(166,790)	(93,385)	(471,176)	(289,808)
Other expenses	11	(410,124)	(485,579)	(1,201,121)	(1,260,262)
Results from operating activities		182,060	662,178	1,697,470	696,985
Finance income		150,160	144,231	206,254	204,163
Finance costs		(94,925)	(102,128)	(219,101)	(256,559)
Other non-operating income (loss), net		(2,057)	44	(5,356)	(312)
Equity income on investments, net		8,544	10,095	10,506	10,686
Profit before income tax		243,782	714,420	1,689,773	654,963
Income tax expense	20	19,589	119,082	262,167	39,309
Profit for the period		224,193	595,338	1,427,606	615,654
Other comprehensive income					
Net change in fair value of available-for-sale financial assets		4,849	(24,621)	11,495	(29,413)
Net change in fair value of cash flow hedges transferred to profit or loss					2,534
Defined benefit plan actuarial gain or loss	13	(26,456)	189	(26,450)	1,292
Cumulative translation differences		(1,584)	(16,339)	(3,409)	(29,115)
Gain on sales of own shares of associate accounted for using the equity method		(116)		923	
Income tax on other comprehensive income		4,522	6,006	1,724	6,815
Other comprehensive loss for the period, net of income tax		(18,785)	(34,765)	(15,717)	(47,887)
Total comprehensive income for the period		(Won) 205,408	560,573	(Won) 1,411,889	567,767

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Profit attributable to:

Owners of the Company		221,879	595,338		1,426,462	615,654
Non-controlling interest		2,314			1,144	

Profit for the period	(Won)	224,193	595,338	(Won)	1,427,606	615,654
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Total comprehensive income attributable to:

Owners of the Company		203,790	560,573		1,410,830	567,767
Non-controlling interest		1,618			1,059	

Total comprehensive income for the period	(Won)	205,408	560,573	(Won)	1,411,889	567,767
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Earning per share

Basic earnings per share	21	(Won)	620	1,664	(Won)	3,987	1,721
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Diluted earnings per share	21	(Won)	608	1,559	(Won)	3,892	1,721
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See accompanying notes to the condensed consolidated interim financial statements.

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Statement of Changes in Equity

(Unaudited)

For the nine-month periods ended September 30, 2010 and 2009

<i>(In millions of Won)</i>	Share capital	Share premium	Gain on sales of own shares of associates	Hedging reserve	Fair value reserve	Translation reserve	Retained earnings	Minority interest	Total equity
Balances at January 1, 2009	(Won) 1,789,079	2,251,113		(1,920)	3,500		5,126,135		9,167,907
Total comprehensive income for the period									
Profit for the period							615,654		615,654
Other comprehensive income (loss)									
Net change in fair value of available-for-sale financial assets, net of tax					(22,424)				(22,424)
Net change in fair value of cash flow hedges transferred to profit or loss, net of tax				1,920					1,920
Defined benefit plan actuarial gain, net of tax							1,292		1,292
Cumulative translation differences						(28,675)			(28,675)
Total other comprehensive income (loss)				1,920	(22,424)	(28,675)	1,292		(47,887)
Total comprehensive income (loss) for the period	(Won)			1,920	(22,424)	(28,675)	616,946		567,767
Transaction with owners, recorded directly in equity									
Dividends to equity holders							(178,908)		(178,908)
Balances at September 30, 2009 (Unreviewed)	(Won) 1,789,079	2,251,113			(18,924)	(28,675)	5,564,173		9,556,766
	(Won) 1,789,079	2,251,113			(14,636)	(36,369)	6,050,562		10,039,749

**Balances at January 1,
2010**

Total comprehensive income (loss) for the period							
Profit for the period				1,426,462	1,144		1,427,606
Other comprehensive income (loss)							
Net change in fair value of available-for-sale financial assets, net of tax			8,535				8,535
Defined benefit plan actuarial gain, net of tax				(20,960)			(20,960)
Cumulative translation differences			(4,130)		(85)		(4,215)
Gain on sales of own shares of associates accounted for using the equity method	923						923
Total other comprehensive income (loss)	923		8,535	(4,130)	(20,960)	(85)	(15,717)
Total comprehensive income (loss) for the period	(Won)	923	8,535	(4,130)	1,405,502	1,059	1,411,889
Transaction with owners, recorded directly in equity							
Dividends to equity holders				(178,908)			(178,908)
Changes in ownership interests in subsidiaries					16,592		16,592
Balances at September 30, 2010	(Won)	1,789,079	2,251,113	923	(6,101)	(40,499)	7,277,156
						17,651	11,289,322

See accompanying notes to the condensed consolidated interim financial statements.

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Statement of Cash Flows

(Unaudited)

For the nine-month periods ended September 30, 2010 and 2009

<i>(In millions of Won)</i>	2010	(Unreviewed) 2009
Cash flows from operating activities:		
Profit for the period	(Won) 1,427,606	615,654
Adjustments for:		
Income tax expense	262,167	39,309
Depreciation	2,023,120	2,022,425
Amortization of intangible assets	119,737	39,426
Gain on foreign currency translation	(136,802)	(195,455)
Loss on foreign currency translation	204,450	135,094
Gain on disposal of property, plant and equipment	(1,382)	(441)
Loss on disposal of property, plant and equipment	316	154
Impairment loss on property, plant and equipment		664
Gain on disposal of intangible assets		(9)
Finance income	(152,862)	(146,229)
Finance costs	123,419	163,850
Equity income on investments, net	(10,506)	(10,686)
Other income	(30,065)	(47,686)
Other expenses	345,355	351,776
	4,174,553	2,967,846
Change in trade accounts and notes receivable	(644,113)	(1,243,667)
Change in other accounts receivable	(29,612)	(49,979)
Change in other current assets	(98,228)	32,315
Change in inventories	(786,723)	(529,605)
Change in other non-current accounts receivable	52	830
Change in other non-current assets	(49,477)	176,069
Change in trade accounts and notes payable	873,216	979,422
Change in other accounts payable	(128,921)	(118,807)
Change in accrued expenses	173,401	98,735
Change in other current liabilities	(9,138)	55,424
Change in long-term advance received	90,480	695,500
Change in other non-current liabilities	8,483	2,452
Change in provisions	(133,695)	(47,496)
Change in defined benefit obligation	(72,139)	(6,799)
Cash generated from operating activities	3,368,139	3,012,240
Income tax paid	(227,133)	(546,980)
Interest received	85,902	154,927
Interest paid	(79,695)	(94,096)
Net cash from operating activities	(Won) 3,147,213	2,526,091

See accompanying notes to the condensed consolidated interim financial statements.

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Statements of Cash Flows, Continued

(Unaudited)

For the nine-month periods ended September 30, 2010 and 2009

<i>(In millions of Won)</i>	2010	(Unreviewed) 2009
Cash flows from investing activities:		
Dividends received	(Won) 18,962	557
Proceeds from withdrawal of deposits in banks	3,600,000	3,055,000
Increase in deposits in banks	(3,001,500)	(2,800,000)
Acquisition of investments in equity accounted investees	(36,039)	(97,888)
Proceeds from disposal of investments in equity accounted investees	20,530	
Proceeds from disposal of available-for-sale financial assets		905
Acquisition of property, plant and equipment	(2,955,433)	(2,590,792)
Proceeds from disposal of property, plant and equipment	1,860	7,391
Acquisition of intangible assets	(134,553)	(156,643)
Proceeds from disposal of intangible assets		11
Grant received	41	969
Payment for settlement of derivatives	(5,358)	
Proceeds from settlement of derivatives		12,714
Proceeds from short-term loans	41	15
Acquisition of other non-current financial assets	(34,321)	(4,609)
Proceed from disposal of other non-current financial assets	2,627	624
Acquisition of LCD module business	(238,482)	
Net cash used in investing activities	(2,761,625)	(2,571,746)
Cash flows from financing activities:		
Proceeds from short-term borrowings	889,917	487,990
Repayment of short-term borrowings	(695,419)	(601,068)
Issuance of debentures	918,302	
Redemption of debentures		(200,000)
Proceeds from long-term debt	454,679	367,741
Repayment of long-term debt	(120,000)	
Repayment of current portion of long-term debt	(1,278,219)	(289,685)
Increase in minority interest	16,592	
Payment of cash dividend	(178,908)	(178,908)
Net cash provided (used) in financing activities	6,944	(413,930)
Net increase (decrease) in cash and cash equivalents	392,532	(459,585)
Cash and cash equivalents at 1 January	817,982	1,352,752
Effect of exchange rate fluctuations on cash held	34,177	(15,128)
Cash and cash equivalents at 30 September	(Won) 1,244,691	878,039

See accompanying notes to the condensed consolidated interim financial statements.

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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 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 65-228, Hangang-ro 3-ga, Yongsan-gu, Seoul, the Republic of Korea, to which the Company moved in September 2010. 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, on February 29, 2008, the Controlling Company changed its name to LG Display Co., Ltd. based upon the approval of shareholders at the general shareholders meeting on the same date as a result of the decrease in Philips' s share interest in the Controlling Company and the possibility of its business expansion to Organic Light Emitting Diode (OLED) and Flexible Display products. As of September 30, 2010, LG Electronics Inc. owns 37.9% (135,625,000 shares) of the Controlling Company' s common shares.

As of September 30, 2010, the Controlling Company has its LCD Research & Development Center and TFT-LCD manufacturing plants in Paju and TFT-LCD manufacturing plants and OLED manufacturing plant in Gumi. The Controlling Company has overseas subsidiaries located in the United States of America, Europe and Asia.

The Controlling Company' s common stock is listed on the Korea Exchange under the identifying code 034220. As of September 30, 2010, 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 September 30, 2010, there are 26,777,668 ADSs outstanding.

Table of Contents1. Reporting Entity, Continued(b) Consolidated Subsidiaries*(In millions)*

Subsidiaries	Percentage of ownership	Location	Date of incorporation	Selling or manufacturing	Capital stocks
LG Display America, Inc.		California,			
	100%	U.S.A.	September 24, 1999	Sell TFT-LCD products	USD105
LG Display Japan Co., Ltd.				Sell TFT-LCD	
	100%	Tokyo, Japan	October 12, 1999	products	JPY95
LG Display Germany GmbH	100%	Dusseldorf, Germany	November 5, 1999	Sell TFT-LCD products	EUR1
LG Display Taiwan Co., Ltd.			April 12,		
	100%	Taipei, Taiwan	1999	Sell TFT-LCD products	NTD116
LG Display Nanjing Co., Ltd. (*)			July 15,	Manufacture and sell	
	100%	Nanjing, China	2002	TFT-LCD products	CNY2,254
LG Display Shanghai Co., Ltd.	100%	Shanghai, China	January 16, 2003	Sell TFT-LCD products	CNY4
LG Display Poland Sp. zo. o.				Manufacture and sell	
	80%	Wroclaw, Poland	September 6, 2005	TFT-LCD products	PLN511
LG Display Guangzhou Co., Ltd.			June 30,	Manufacture and sell	
	90%	Guangzhou, China	2006	TFT-LCD products	CNY992
LG Display Shenzhen Co., Ltd.	100%	Shenzhen, China	August 28, 2007	Sell TFT-LCD products	CNY4
LG Display Singapore Pte. Ltd.	100%	Singapore	January 12, 2009	Sell TFT-LCD products	SGD1.4
L&T Display Technology (Xiamen) Limited		Xiamen,	January 5,	Manufacture	
	51%	China	2010	LCD module and TV set	CNY82
L&T Display Technology (Fujian) Limited		Fujian,	January 5,	Manufacture	
	51%	China	2010	LCD module and LCD monitor set	CNY116
LG Display Yantai Co., Ltd.		Yantai,	April 19,	Manufacture and sell	
	100%	China	2010	TFT-LCD products	CNY273

(*) In July 2010, LG Electronics (Nanjing) Plasma Co., Ltd. merged with LG Display Nanjing Co., Ltd.

Table of Contents1. Reporting Entity, Continued(c) Associates and Jointly Controlled Entities (equity method investees)*(In millions)*

Associates and jointly controlled entities	Percentage of ownership	Date of incorporation	Selling or manufacturing	Carrying amount
Suzhou Raken Technology Ltd.	51%	October, 2008	Manufacture and sell LCD modules and LCD TV set	82,121
Guangzhou New Vision Technology Research and Development Limited	50%	July, 2008	R&D on design of LCD modules and LCD TV set	3,618
Global OLED Technology LLC	33%	December, 2009	Managing and utilizing OLED patents	48,811
Paju Electric Glass Co., Ltd.	40%	January, 2005	Manufacture electric glass for flat-panel display	30,337
TLI Inc.	13%	October, 1998	Manufacture and sell semiconductor parts	16,486
AVACO Co., Ltd.	20%	January, 2001	Manufacture and sell equipment for flat-panel display	7,026
New Optics LTD.	42%	August, 2005	Manufacture back light parts for TFT-LCD	22,374
LIG ADP Co., Ltd. (formerly, ADP Engineering Co., Ltd.)	13%	January, 2001	Develop and manufacture the equipment for flat-panel display	3,873
WooRee LED Co., Ltd.	30%	June, 2008	Manufacture LED back light unit packages	12,794
Dynamic Solar Design Co., Ltd.	40%	April, 2009	Develop and manufacture the equipment for solar battery and flat-panel display	6,041
RPO, Inc.	26%	November, 2005	Develop Digital Waveguide Touch technology	12,114
LB Gemini New Growth Fund No. 16	31%	December, 2009	Invest in small and middle sized companies and to benefit from M&A opportunities	7,952
Can Yang Investments Limited	15%	January,	Develop and manufacture and sell	12,233

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		2010	TFT-OLED	
YAS Co., Ltd.		April,	Develop and manufacture deposition equipment for OLED	10,000
	20%	2002		
Eralite Optoelectronics (Jiangsu) Co., Ltd.		August,	Manufacture LED Package	4,626
	20%	2010		

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2. **Basis of Presenting Financial Statements**

(a) **Statement of Compliance**

The consolidated financial statements have been prepared in accordance with Korean International Financial Reporting Standards (K-IFRSs). LG Display Co., Ltd. and its subsidiaries (together referred to as the Group and individually as Group entities) determined to adopt the K-IFRSs for annual periods beginning on January 1, 2010. The Group s transition date to K-IFRSs from its previous GAAP (generally accepted accounting principles) is January 1, 2009.

The condensed consolidated interim financial statements have been prepared in accordance with K-IFRS No. 1034, *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements. The condensed consolidated interim financial statements for the nine-month period ended September 30, 2010 and the comparative financial statements for the nine-month period ended September 30, 2009 were prepared applying the accounting policies adopted by the Group as described below. The condensed consolidated interim financial statement as of the transition date was also prepared using the same accounting policies. An explanation of how the transition to K-IFRSs has affected the reported financial position of the Group as of January 1 and December 31, 2009, and financial performance of the Group for the year ended December 31, 2009 is provided in note 23.

The Controlling Company prepared the condensed interim financial statements in accordance with accounting policies management plans to adopt for its first annual financial statements in accordance with K-IFRSs. The accounting policies applied for the interim financial statements may be changed by management as considered necessary in the course of preparation of its first annual financial statements in accordance with K-IFRSs for the year ending December 31, 2010.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on October 20, 2010.

(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 statement of financial position:

derivative financial instruments are measured at fair value

financial instruments at fair value through profit or loss are measured at fair value

available-for-sale financial assets are measured at fair value

liabilities for cash-settled share-based payment arrangements are measured at fair value

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

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2. Basis of Presenting Financial Statements, Continued

(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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Classification of financial instruments (note 3(d))

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next 12 months is included in the following notes:

Recognition and measurement of provision (note 3(j))

Measurement of defined benefit obligations (note 13)

3. Summary of Significant Accounting Policies

The significant accounting policies followed by the Group in preparation of its condensed consolidated interim financial statements are as follows:

(a) Consolidation

(i) Subsidiaries

Subsidiaries are those entities controlled by the Controlling Company or its subsidiaries where control is the power to govern the financial and operating policies of the entity so as to obtain benefit from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Each item of profits and losses and other reserves attribute to the owners of the parent and non-controlling interests.

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3. Summary of Significant Accounting Policies, Continued

(a) Consolidation, Continued

(ii) Associates and jointly controlled entities (equity method investees)

Associates are those entities over which the Group has significant influence but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity.

A jointly controlled entity is an entity that the Group has joint control over and whose activities are established by a contractual arrangement and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

Investments in associates and jointly controlled entities are initially recognized at cost and accounted for using the equity method of accounting. The carrying amount of investments in associates and jointly controlled entities is increased or decreased to recognize the Group's share of the profits or loss and changes in the Group's proportionate interest of the investee after the date of acquisition. Distributions received from an investee reduce the carrying amount of the investment. Unrealized gains on transactions between the Group and associates and jointly controlled entities are eliminated to the extent of the Group's interest in the associates and jointly controlled entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances.

When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, including income, expenses and unrealized gain or loss, are eliminated in preparing the consolidated financial statements. Intra-group losses are recognized as expense if intra-group losses indicate an impairment that requires recognition in the consolidated financial statements.

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3. Summary of Significant Accounting Policies. Continued

(b) Foreign Currency Transactions and Translation

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss, except for differences arising on available-for-sale equity instruments and a financial asset and liability designated as a cash flow hedge, which are recognized in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or previous financial statements shall be recognized in profit or loss in the period in which they arise.

If the presentation currency of the Group is different from a foreign operation's functional currency, the financial position and financial performance of the foreign operation are translated into the presentation currency using the following methods:

The assets and liabilities of foreign operations, whose functional currency is not the currency of a hyperinflationary economy, including goodwill and fair value adjustments arising on acquisition, are translated to functional currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to functional currency at exchange rates at the dates of the transactions. Foreign currency differences are recognized in other comprehensive income. When a foreign operation is disposed of, in part or in full, the relevant amount in the comprehensive income is transferred to profit or loss as part of the profit or loss on disposal.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation is treated as assets and liabilities of the foreign operation. Thus they are expressed in the functional currency of the foreign operation and translated at the closing rate.

(c) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted-average method, and includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on the actual capacity of production facilities. However the normal capacity is used for allocation of fixed production overhead if the actual level of production is lower than the normal capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated selling expenses.

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3. Summary of Significant Accounting Policies, Continued

(d) Financial Instruments

(i) Non-derivative financial assets

The Group initially recognizes loans and receivables and deposits on the date they are originated. All other financial assets, including financial assets at fair value through profit or loss, are recognized in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability. If a transfer does not result in derecognition because the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group continues to recognize the transferred asset and recognizes a financial liability for the consideration received. In subsequent periods, the Group recognizes any income on the transferred assets and any expense incurred on the financial liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: financial assets at fair value through profit or loss, loans and receivables and available-for-sales financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. If a contract contains one or more embedded derivatives, the Group designates the entire hybrid (combined) contract as a financial asset at fair value through profit or loss unless: the embedded derivative(s) does not significantly modify the cash flows that otherwise would be required by the contract; or it is clear with little or no analysis when a similar hybrid (combined) instrument is first considered that separation of the embedded derivative(s) is prohibited. Upon initial recognition, attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

Table of Contents3. Summary of Significant Accounting Policies. Continued(d) Financial Instruments. ContinuedHeld-to-maturity financial assets

If the Group has non-derivative debt securities with fixed or determinable payments and fixed maturity and the Group has the positive intention and ability to hold to maturity, then such financial assets are classified as held-to-maturity. When held-to-maturity financial assets are recognized initially, the Group measures it at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent to initial recognition held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than an insignificant amount of held-to-maturity investment not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Group from classifying any financial assets as held-to-maturity for the current and the following two financial years.

Cash and cash equivalents

Cash and cash equivalents include all cash balances and short-term highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash. They are stated at face value, which approximates fair value.

Deposits in banks

Deposits in banks are those with maturity of more than three months and less than one year and are held for cash management purposes.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. When loans and receivables are recognized initially, the Group measures it at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade accounts and notes receivable and other accounts receivable.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or that are not classified as financial assets at fair value through profit or loss, held-to-maturity financial assets or loans or receivables. The Group's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and whose derivatives are linked to and must be settled by delivery of such unquoted equity instruments are measured at cost.

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3. Summary of Significant Accounting Policies, Continued

(d) Financial Instruments, Continued

(ii) Non-derivative financial liabilities

The Group initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. The Group classifies liabilities into two categories in accordance with the substance of the contractual arrangement and the definitions of a financial liability: financial liabilities at fair value through profit or loss and other financial liabilities.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading or designated as such upon initial recognition at fair value through profit or loss. After initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. Upon initial recognition, transaction costs that are directly attributable to the acquisition are recognized in profit or loss as incurred. As of September 30, 2010, financial liabilities at fair value through profit or loss of the Group consist of convertible bonds.

Non-derivative financial liabilities other than financial liabilities classified as fair value through profit or loss are classified as other financial liabilities and measured initially at fair value minus transaction costs that are directly attributable to the issue. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. As of September 30, 2010, non-derivative financial liabilities comprise borrowings, bonds and others.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

(iii) Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of tax effects. Capital contributed in excess of par value upon issuance of common stocks is classified as share premium within equity.

Table of Contents3. Summary of Significant Accounting Policies, Continued(d) Financial Instruments, Continued(iv) Derivative financial instruments, including hedge accounting

The Group holds forward exchange contract, interest rate swap, currency swap and other derivative contracts to manage interest rate risk and foreign exchange risk. Derivatives are initially recognized at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss except in the case where the derivatives are designated as cash flow hedge and the hedge is determined to be an effective hedge.

The Group designated derivatives as hedging items to hedge the risk of changes in the fair value of assets, liabilities or firm commitments (a fair value hedge) and foreign currency risk of highly probable forecast transactions or firm commitments (a cash flow hedge).

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported net income.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and presented in the hedging reserve in equity. The amount recognized in other comprehensive income is removed and included in profit or loss in the same period as the hedged cash flows affect profit or loss under the same line item in the statement of comprehensive income as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in other comprehensive income and presented in the hedging reserve in equity remains there until the forecast transaction affects profit or loss. When the hedged item is a non-financial asset, the amount recognized in other comprehensive income is transferred to the carrying amount of the asset when the asset is recognized. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income is recognized immediately in profit or loss. In other cases the amount recognized in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss.

Table of Contents3. Summary of Significant Accounting Policies, Continued(d) Financial Instruments, ContinuedEmbedded derivative

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss. Changes in the fair value of separable embedded derivatives are recognized immediately in profit or loss.

(e) Property, Plant and Equipment(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes an expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

The gain or loss arising from the derecognition of an item of property, plant and equipment shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and recognized in other income and expenses.

(ii) Subsequent costs

Subsequent expenditure on an item of property, plant and equipment is recognized as part of its cost only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognized in profit or loss on a straight-line basis method, reflecting the pattern in which the asset's future economic benefits are expected to be consumed by the Group. The residual value of property, plant and equipment is zero. Land is not depreciated.

Estimated useful lives of the assets are as follows:

	Useful lives (years)
Buildings and structures	20, 40
Machinery	4
Furniture and fixtures	3~5
Equipment, tools, vehicle	3~5, 12

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The changes are accounted for as changes in accounting estimates.

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3. Summary of Significant Accounting Policies. Continued

(f) Borrowing Costs

The Group capitalizes borrowing costs, which includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs, directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. To the extent that the Group borrows funds specifically for the purpose of obtaining a qualifying asset, the Group determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. The Group immediately recognizes other borrowing costs as an expense.

(g) Government Grants

In case there is reasonable assurance that the Group will comply with the conditions attaching to a government grant, the government grant is recognized as follows:

Grants related to the purchase or construction of assets

A government grant related to the purchase or construction of assets is deducted in calculating the carrying amount of the asset. The grant is recognized in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

Grants for compensating the Group's expenses incurred

Grants that compensate the Group for expenses incurred are recognized in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognized.

Other government grants

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognized as income of the period in which it becomes receivable.

(h) Intangible Assets

Intangible assets are initially measured at cost. Subsequently, intangible assets are measured at cost less accumulated amortization and accumulated impairment losses.

(i) Goodwill

Goodwill arising upon the business combinations is recognized at the excess of the acquisition cost of investments in subsidiaries, associates and joint ventures over the Group's share of the net fair value of the identifiable assets acquired and liabilities assumed. Any deficit is a bargain purchase that is recognized in profit or loss. Goodwill is measured at cost less accumulated impairment losses.

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3. Summary of Significant Accounting Policies, Continued

(h) Intangible Assets, Continued

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

Development activities involve a plan or design of the production of new or substantially improved products and processes. Development expenditure is capitalized only if the Group can demonstrate all of the following:

the technical feasibility of completing the intangible asset so that it will be available for use or sale,

its intention to complete the intangible asset and use or sell it,

its ability to use or sell the intangible asset,

how the intangible asset will generate probable future economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset,

the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and

its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The expenditure capitalized includes the cost of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs on qualifying assets.

(iii) Other intangible assets

Other intangible assets include intellectual property rights, software, customer relationship, technology, membership and others.

(iv) Subsequent costs

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific intangible asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Table of Contents3. Summary of Significant Accounting Policies, Continued(h) Intangible Assets, Continued(v) Amortization

Amortization is calculated on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The residual value of intangible assets is zero. However, as there are no foreseeable limits to the periods over which country club membership and golf club membership are expected to be available for use, these intangible assets are regarded as having indefinite useful lives and not amortized.

	Estimated useful lives (years)
Intellectual property rights	5, 10
Rights to use electricity, water and gas supply facilities	10
Software	4
Customer relationship	7
Technology	10
Development costs	(*)
Condominium and golf club membership	Not amortized

(*) Capitalized development costs are amortized over the useful life considering the life cycle of the developed products. Amortization periods and the amortization methods for intangible assets with finite useful lives are reviewed at each financial year-end. The useful lives of intangible assets that are not being amortized are reviewed each period to determine whether events and circumstances continue to support indefinite useful life assessments for those assets. If appropriate, the changes are accounted for as changes in accounting estimates.

(i) Impairment(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency in interest or principal payments by an issuer or a debtor, for economic reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the Group would not otherwise consider, or the disappearance of an active market for that financial asset. In addition, for an investment in an equity security, objective evidence of impairment includes significant financial difficulty of the issuer and a significant or prolonged decline in its fair value below its cost.

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3. Summary of Significant Accounting Policies, Continued

(i) Impairment, Continued

(i) Financial assets, Continued

The Group considers evidence of impairment for receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together receivables and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

If there is objective evidence that an impairment loss has been incurred on financial assets carried at amortized cost or cost, the amount of the impairment loss is measured as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognized in profit or loss and reflected in an allowance account against loans and receivables.

The amount of the impairment loss on financial assets including equity securities carried at cost is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

When a decline in the fair value of an available-for-sale financial asset has been recognized in other comprehensive income the amount of the cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

In a subsequent period, for the financial assets recorded at fair value, if the fair value increases and the increase can be objectively related to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed. The amount of the reversal in financial assets carried at amortized cost and a debt instrument classified as available for sale is recognized in profit or loss. However, impairment loss recognized for an investment in an equity instrument classified as available-for-sale is reversed through other comprehensive income.

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3. Summary of Significant Accounting Policies, Continued

(i) Impairment, Continued

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than assets arising from employee benefits, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, irrespective of whether there is any indication of impairment, the recoverable amount is estimated each year at the same time.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or CGU). The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs to sell is based on the best information available to reflect the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss in respect of goodwill is not reversed.

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3. Summary of Significant Accounting Policies. Continued

(j) Provision

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The risks and uncertainties that inevitably surround events and circumstances are taken into account in reaching the best estimate of a provision. Where the effect of the time value of money is material, provisions are determined at the present value of the expected future cash flows. The unwinding of the discount is recognized as finance cost

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

The Group recognizes a liability for warranty obligations based on the estimated costs expected to be incurred under its basic limited warranty. This warranty covers defective products and is normally applicable for eighteen months from the date of purchase. These liabilities are accrued when product revenues are recognized. Warranty costs primarily include raw materials and labor costs. Factors that affect the Group's warranty liability include historical and anticipated rate of warranty claims on those repairs and cost per claim to satisfy the Group's warranty obligation. As these factors are impacted by actual experience and future expectations, management periodically assesses the adequacy of its recorded warranty liabilities and adjusts the amounts as necessary. Accrued warranty obligations are included in the current and non-current provisions.

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources, are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

(k) Employee Benefits

(i) Short-term employee benefit

Short-term employee benefits that are due to be settled within twelve months after the end of the period in which the employees render the related service are recognized in profit or loss on an undiscounted basis. The expected cost of profit-sharing and bonus plans are recognized when the Group has a present legal or constructive obligation to make payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) Other long-term employee benefit

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

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3. Summary of Significant Accounting Policies. Continued

(k) Employee Benefits. Continued

(iii) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(iv) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than defined contribution plan. The Group's net obligation in respect of its defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted.

The calculation is performed annually by an independent actuary using the projected unit credit method. The discount rate is the yield at the reporting date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The Group recognizes all actuarial gains and losses arising from defined benefit plans in retained earnings immediately.

(v) Share-based payment transactions

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally becomes entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognized as personnel expense in profit or loss.

Table of Contents3. Summary of Significant Accounting Policies. Continued(l) Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates and other cash incentives paid to customers. Revenue is recognized when persuasive evidence exists, that the significant risks and rewards of ownership have been transferred to the buyer, generally on delivery and acceptance at the customers' premises, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized. Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and therefore are excluded from revenues in the consolidated statements of comprehensive income.

(m) Operating Segments

An operating segment is a component of the Group that: 1) engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with other components of the group, 2) whose operating results are reviewed regularly by the Group's chief operating decision maker (CODM) in order to allocate resources and assess its performance, and 3) for which discrete financial information is available. Management has determined that the CODM of the Group is the Board of Directors. The CODM does not receive and therefore does not review discrete financial information for any component of the Group. Consequently, no operating segment information is included in these condensed consolidated interim financial statements. Entity wide disclosures of geographic and product revenue information are provided in note 18 to these condensed consolidated interim financial statements.

(n) Finance Income and Finance Costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognized in profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognized on financial assets, and losses on hedging instruments that are recognized in profit or loss. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Foreign exchange gains and losses arising from monetary assets and liabilities denominated in currencies other than functional currencies are presented separately when they are related to investing and financing activities.

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3. Summary of Significant Accounting Policies, Continued

(o) Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years. The taxable profit is different from the accounting profit for the period since the taxable profit is calculated excluding the temporary differences, which will be taxable or deductible in determining taxable profit (tax loss) of future periods, and non-taxable or non-deductible items from the accounting profit.

(ii) Deferred tax

Deferred tax is recognized, using the liability method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. However, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

The Group recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, except to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. A deferred tax asset is recognized for all deductible temporary differences to the extent that, it is probable that the differences relating to investments in subsidiaries, associates and jointly controlled entities will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

An entity offsets deferred tax assets and deferred tax liabilities if, and only if the entity has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously.

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3. Summary of Significant Accounting Policies, Continued

(p) Earnings Per Share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Controlling Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, which comprise convertible bonds.

(q) New Standards and Interpretations Not Yet Adopted

The following new standards, interpretations and amendments to existing standards have been published and are mandatory for the Group beginning on or after January 1, 2011, but the Group has not early adopted them. Management is in the process of evaluating the impact, if any, of applying these standards and interpretations on its financial position and results of operations.

(i) K-IFRS 1109. Financial Instruments

This standard introduces certain new requirements for classifying and measuring financial assets. K-IFRS 1109 divides all financial assets that are currently in the scope of K-IFRS 1039 into two classifications, those measured at amortized cost and those measured at fair value. The standard along with proposed expansion of K-IFRS 1109 for classifying and measuring financial liabilities, de-recognition of financial instruments, impairment, and hedge accounting will be applicable from the year 2013, although entities are permitted to adopt earlier. The Group is evaluating the impact that this new standard will have on the Group's consolidated financial statements.

(ii) Revised K-IFRS 1024. Related Parties Disclosures

The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. The Group will apply K-IFRS 1024 (revised) retrospectively from January 1, 2011. The Group is evaluating the impact that this new standard will have on the Group's consolidated financial statements, if any.

4. Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Current Assets and Liabilities

The carrying amounts approximate fair value because of the short maturity of these instruments.

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4. Determination of Fair Values, Continued

(b) Trade Receivables and Other Receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes. The carrying amounts of short-term receivables approximate fair value.

(c) Investments in Equity and Debt Securities

The fair value of financial assets at fair value through profit or loss (FVTPL) and available-for-sale financial assets in market is determined by reference to their quoted closing bid price at the reporting date. The fair value of non-marketable securities is determined using valuation methods.

(d) Derivatives

For forward contracts, if a listed market price is not available, fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is estimated by discounting estimated future cash flows based on the terms and maturity of each contract by LIBOR and forward interest rates for the same terms at the measurement date.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

(e) Non-derivative Financial Liabilities

The fair value of financial liabilities at FVTPL is determined by reference to their quoted closing price at the reporting date. Fair value, which is determined for disclosure purposes, except for the liabilities at FVTPL, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

(f) Share-based Payment Transactions

The fair value of the employee share appreciation rights is measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

Table of Contents4. Determination of Fair Values, Continued(g) Assets Acquired in a Business Combination(i) Inventories

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(ii) Property, plant and equipment

The fair value of property, plant and equipment recognized as a result of a business combination is based on market values.

(iii) Intangible assets

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of technology acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the patent or trademark being owned.

5. Inventories

Inventories as of September 30, 2010 and December 31, 2009 are as follows:

<i>(In millions of Won)</i>	2010	2009
Finished goods	(Won) 1,159,239	763,181
Work-in-process	744,088	544,071
Raw materials	427,265	228,631
Supplies	161,015	131,897
	(Won) 2,491,607	1,667,780

For the nine-month period ended September 30, 2010, inventories recognized as cost of sales amounted to (Won)15,691,287 million and valuation loss on inventories, which was included in cost of sales, amounted to (Won)97,876 million.

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6. Investments in Equity Accounted Investees

In February 2010, the Controlling Company acquired an additional 1,000,000 common shares (5.35%) of New Optics Ltd. at (Won)2,500 million.

The Controlling Company joined the LB Gemini New Growth Fund No.16 as a member in a limited partnership and the Controlling Company paid (Won)6,480 million for the additional investment in May 2010. As of September 30, 2010, the Controlling Company acquired a 30.6% equity interest in LB Gemini New Growth Fund No.16 and the agreed total investment amount of the Company toward the fund is (Won)30,000 million.

In January 2010, the Controlling Company entered into a joint venture agreement with Formosa Epitaxy Incorporation and several investors. Accordingly, Can Yang Investments Limited is incorporated in order for the Group to secure a stable supply of LED chip solutions. The Controlling Company acquired 10,800,000 shares (15%) of the joint venture at (Won)12,433 million and has the right to assign a director to the board of directors of the joint venture. Accordingly, the investment in Can Yang Investments Limited has been accounted for using the equity method.

In June 2010, the Controlling Company sold a part of its share interest in Global OLED Technology LLC for (Won)20,530 million, accordingly, the percentage of the Controlling Company's ownership was reduced from 49% to 33%.

In September 2010, the Controlling Company acquired 500,000 common shares (20%) of Yas Co., Ltd. at (Won)10,000 million in order to secure a stable supply of components for developing a deposition system of OLED.

In August 2010, the Controlling Company entered into a joint venture agreement with Everlight Electronics Co., Ltd. and several other investors. Accordingly, Eralite Optoelectronics (Jiangsu) Co., Ltd. has been incorporated in order for the Group to secure a stable supply of LED package solutions. The Controlling Company acquired a 20 percent interest of the joint venture at (Won)4,626 million (USD4 million) and has the right to assign a director to the board of directors of the joint venture.

7. Property, Plant and Equipment

For the nine-month periods ended September 30, 2010 and 2009, the Group purchased property, plant and equipment at (Won)4,507,185 million and (Won)2,106,147 million, respectively. The capitalized borrowing costs and capitalization rate are (Won)15,612 million and 3.59% for the nine-month period ended September 30, 2010, respectively. Also for the nine-month periods ended September 30, 2010 and 2009, the Group disposed of property, plant and equipment with carrying amounts of (Won)794 million and (Won)7,104 million, respectively. The Group recognized (Won)1,382 million and (Won)316 million as gain and loss on disposal of property, plant and equipment, respectively, for the nine-month period ended September 30, 2010 (gain and loss in 2009: (Won)441 million and (Won)154 million, respectively).

8. Intangible Assets

The Group capitalizes the expenses related to development activities, such as expense incurred on designing, manufacturing and testing of products that are ultimately selected for production. The balances of capitalized development costs as of September 30, 2010 and December 31, 2009 are (Won)85,688 million and (Won)80,454 million, respectively.

Table of Contents**9. Financial Liabilities**

Details of loans and borrowings included in financial liabilities are presented below:

(a) Short-term borrowings as of September 30, 2010 and December 31, 2009 are as follows:

(In millions of Won, USD, JPY and CNY)

Lender	Annual interest rate(*)	2010		2009	
Korea Development Bank	LIBOR+0.65~0.75%	(Won)	6,861		229,787
China Communication Bank and others	90% of the Basic Rate published by the People's Bank of China, 6ML+0.5~2.0%, 3ML+1.2~1.8%		178,664		
Mizuho Bank	TIBOR+0.35%		56,059		
Shinhan Bank and others	3ML+1.1~2.8%		149,666		189,423
	6ML+0.65~0.9%		242,737		220,140
Bank of Tokyo-Mitsubishi UFJ	6ML+1.2~1.4%		136,334		63,141
Korea Exchange Bank	6ML+1.18%				34,027
Other related party	1.15%				34,395
Woori Bank	5.13%		200,000		
Foreign currency equivalent		USD	132	USD	245
		JPY	43,398	JPY	38,383
		CNY	161		
		(Won)	970,321		770,913

(*) ML and TIBOR represents Month LIBOR (London Inter-Bank Offered Rates) and Tokyo Inter-Bank Offered Rates. The amount of current and outstanding trade accounts and notes receivable, arising from export sales to the Controlling Company's subsidiaries, sold to financial institutions by the Controlling Company is JPY503 million ((Won)6,861 million) as of September 30, 2010. The proceeds from the sale of these accounts receivable current and outstanding are recorded as short-term borrowings. For the nine-month period ended September 30, 2010, the Group has recognized (Won)548 million as interest expense in relation to the short-term borrowings resulting from the sale of accounts receivable.

Table of Contents9. Financial Liabilities, Continued

(b) Local currency long-term debt as of September 30, 2010 and December 31, 2009 is as follows:

(In millions of Won)

Lender	Annual interest rate(*)	2010	2009
Local currency loans			
Shinhan Bank	3-year Korean Treasury Bond rate less 1.25%	(Won) 16,894	18,380
Korea Development Bank	KDBBIR+0.77%		7,500
	KDBBIR+3.29%		120,000
Woori Bank	5.43%		200,000
	3-year Korean Treasury Bond rate less 1.25%	3,954	3,914
Less current portion of long-term debt		(3,733)	(9,872)
		(Won) 17,115	339,922

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

(c) Foreign currency long-term debt as of September 30, 2010 and December 31, 2009 is as follows:

(In millions of Won USD, CNY and EUR)

Lender	Annual interest rate	2010	2009
China Communication Bank and others	6ML+0.5~1.99%		
	3M EURIBOR+0.6%, 90%~95% of the Basic Rate published by the People's Bank of China	(Won) 189,316	249,034
The Export-Import Bank of Korea	6ML+0.69%	51,390	58,380
	6ML+1.78%	38,828	
Korea Development Bank	3ML+0.66%	159,880	163,464
	3ML+2.79%	109,067	
Kookmin Bank and others	3ML+0.35~0.53%	456,800	467,040
	6ML+0.41%	228,400	233,520
Sumitomo Bank Ltd.	3ML+1.80%	285,500	
Foreign currency equivalent		USD 1,111	USD 875
		JPY 8,000	

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	CNY	332	CNY	194
	EUR	54	EUR	70
Less current portion of long-term debt		(681,292)		(133,259)
	(Won)	837,889		1,038,179

Table of Contents9. Financial Liabilities, Continued

(d) Details of debentures issued by the Group as of September 30, 2010 and December 31, 2009 are as follows:

(In millions of Won and USD)

	Maturity	Annual interest rate	2010	2009
Local currency debentures(*)				
Publicly issued debentures	November 2012~			
	June 2015	4.89~5.89%	(Won) 900,000	890,000
Privately issued debentures	May 2011	5.30%	200,000	200,000
Less discount on debentures			(3,078)	(2,276)
Less current portion of debentures			(200,000)	(389,665)
			(Won) 896,922	698,059
Foreign currency debentures(*)				
Floating rate note	April 2013	3ML+1.80%	(Won) 399,700	
	August 2012	3ML+2.40%	136,334	
Foreign currency equivalent			USD 350	
			JPY 10,000	
Less discount on debentures			(6,804)	
			(Won) 529,230	
Financial liabilities at fair value through profit or loss				
Convertible bonds	April 2012	Zero coupon	(Won) 84,196	699,861
Foreign currency equivalent			USD 66	USD 599
Less current portion of convertible bonds				(699,861)
			(Won) 84,196	
			(Won) 1,510,348	698,059

(*) Principal of the local currency debentures is to be repaid at maturity and interests are paid quarterly. The Group redeemed local currency debentures with their face value amounting to (Won)390,000 million and issued new publicly issued debentures and privately issued debentures amounting to (Won)400,000 million, JPY10,000 million and USD350 million for the nine-month period ended September 30, 2010.

Table of Contents9. Financial Liabilities, Continued

(e) Terms and conditions of the convertible bonds are as follows:

	Terms and Conditions
Issue date	April 18, 2007
Maturity date	April 18, 2012
Conversion period	April 19, 2008~April 3, 2012
Coupon interest rate	0%
Conversion price (in Won) per share	(Won)48,075

The Group designated foreign currency denominated convertible bonds as financial liabilities at fair value through profits or loss at transition date to K-IFRSs from its previous GAAP (generally accepted accounting principles) and recognizes the convertible bonds at fair value with changes in fair value recognized in profit or loss.

The bonds will be repaid at 116.77% of the principal amount at maturity unless the bonds are converted. During the nine-month period ended September 30, 2010, put options attached to the convertible bonds amounting to USD484 million were exercised and the Group repaid USD531 million for the convertible bonds at 109.75% of the principal amount. Put options not exercised were expired.

The Group measured them at their fair value using the market quotes available at Bloomberg and it was assumed that the remaining convertible bonds will be repaid in full at maturity and they were reclassified as non-current liabilities.

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

Based on the terms and conditions of the bond, the conversion price was decreased from (Won)48,251 to (Won)48,075 per share due to the Controlling Company's declaration of cash dividends of (Won)500 per share for the year ended December 31, 2009.

Table of Contents9. Financial Liabilities, Continued

As of September 30, 2010 and December 31, 2009, the number of common shares to be issued if the outstanding convertible bonds are fully converted is as follows:

<i>(In Won and share)</i>		
	2010	2009
Convertible bond amount (*)	(Won) 61,617,600,000	513,480,000,000
Conversion price	(Won) 48,075	48,251
Common shares to be issued	1,281,697	10,641,851

(*) The exchange rate for the conversion is fixed at (Won)933.6 to USD1. The face value of the convertible bonds amounted to USD66 million and USD550 million as of September 30, 2010 and December 31, 2009, respectively.

(f) Aggregate maturities of the Group's financial liabilities as of September 30, 2010 are as follows:

(In millions of Won)

Period	Local currency long-term loans	Foreign currency long term loans	Local currency debentures	Foreign currency debentures	Total
Within 1 year	(Won) 3,733	681,292	200,000		885,025
1~5 year	15,723	837,889	1,426,152	84,196	2,363,960
Thereafter	1,392				1,392
	(Won) 20,848	1,519,181	1,626,152	84,196	3,250,377

10. Risk Management

(a) Financial risk management

The Group is exposed to credit risk, liquidity risk and market risks. The Group identifies, analyzes such risks, and controls are implemented under a risk management system to monitor and manage these risks at below a threshold level.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The Group's exposure to credit risk of trade and other receivables is influenced mainly by the individual characteristics of each customer. However, management considers the demographics of the Group's customer base, including the default risk of the country in which customers operate, do not have a significant influence on credit risk since majority of the customers are global electronic appliance manufacturers operating in global markets.

The Group establishes credit limits for each customer and each new customer is analyzed quantitatively and qualitatively before determining whether to utilize third party guarantees, insurance or factoring as appropriate.

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10. Risk Management, Continued

The Group does not establish allowances for receivables under insurance and receivables from customers with a higher credit rating than the Group. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The Group establishes an allowance for impairment of trade and other receivables that have been individually or collectively evaluated for impairment and estimated on the basis of historical loss experience for assets.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has historically been able to satisfy its cash requirements from cash flow from operations and debt and equity financing. To the extent that the Group does not generate sufficient cash flow from operations to meet its capital requirements, the Group may rely on other financing activities, such as external long-term borrowings and offerings of debt securities, equity-linked and other debt securities. In addition, the Group maintains a line of credit with various banks.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks.

Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of the Group, Korean Won (KRW). The currencies in which these transactions primarily are denominated are USD, EUR and JPY.

The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Interest on borrowings is denominated in the currency of the borrowing. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, primarily KRW and USD.

Table of Contents10. Risk Management, Continued

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances. In relation to the currency fluctuation, the Group adopts policies to adjust factoring volumes of foreign currency denominated receivables or utilizing usance as a mean to settle payables for the facilities.

The fair value of forward exchange contracts used as economic hedges of monetary assets and liabilities in foreign currencies as of September 30, 2010 and December 31, 2009 are as follows:

<i>(In millions of Won)</i>	2010	2009
Net fair value		
Financial assets (liabilities)	(Won) 7,019	2,674

Interest rate risk

Interest rate risk arises principally from the Group's debentures and borrowings. The Group used to hedge the interest rate risk by entering interest swap contracts. The Group does not have any interest swap contract as of September 30, 2010. The fair value of interest rate swap as of December 31, 2009 is as follows:

<i>(In millions of Won)</i>	2009
Type	
Loss on valuation of interest rate swap	(Won) 3,699
Financial liabilities	3,699

Table of Contents10. Risk Management, Continued

(iv) Fair values

The fair values of financial assets and liabilities, together with the carrying amounts as of September 30, 2010 and December 31, 2009 are as follows:

(In millions of Won)

	2010		2009	
	Carrying amounts	Fair values	Carrying amounts	Fair values
Assets carried at fair value				
Available-for-sale financial assets	(Won) 39,774	39,774	109,338	109,338
Financial assets designated at fair value through profit or loss	15,976	15,976	17,343	17,343
Interest rate swaps			63	63
Other forward exchange contracts	7,019	7,019	2,674	2,674
	(Won) 62,769	62,769	129,418	129,418
Assets carried at amortized cost				
Cash and cash equivalents	(Won) 1,244,691	1,244,691	817,982	817,982
Trade accounts and notes receivable and other accounts receivable	3,716,376	3,716,376	3,077,585	3,077,585
Deposits in banks	1,901,500	1,901,500	2,500,000	2,500,000
Long-term other accounts receivable	11,260	11,260	11,311	11,311
Others	20,834	20,834	14,816	14,816
	(Won) 6,894,661	6,894,661	6,421,694	6,421,694
Liabilities carried at fair value				
Financial liabilities designated at fair value through profit or loss	(Won) 84,196	84,196	699,861	699,861
Interest rate swaps			3,762	3,762
	(Won) 84,196	84,196	703,623	703,623
Liabilities carried at amortized cost				
Secured bank loans	(Won) 38,828	38,828		
Unsecured bank loans	2,471,522	2,471,522	2,292,145	2,294,969
Unsecured bond issues	1,626,152	1,665,520	1,087,724	1,101,201
Trade accounts and notes payable and other accounts payable	5,949,926	5,949,926	3,627,557	3,627,557
Long-term other accounts payable	51,936	56,880	52,972	59,481
	(Won) 10,138,364	10,182,676	7,060,398	7,083,208

The basis for determining fair values is disclosed in note 4.

Table of Contents10. Risk Management, ContinuedInterest rates used for determining fair value

The significant interest rates applied for determination of the above fair value as of September 30, 2010 and December 31, 2009 are as follows:

	2010	2009
Derivatives	3.07%	3.78%
Debentures, loans and borrowings	3.21%	3.75%

Fair value hierarchy

The table below analyzes financial instruments carried at fair value, by valuation method. 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 (i.e., as prices) or indirectly (i.e., derived from prices)

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

(In millions of Won)

	Level 1	Level 2	Level 3	Total
September 30, 2010				
Available-for-sale financial assets	(Won) 13,429		26,345	39,774
Financial assets designated at fair value through profit or loss	15,976			15,976
Derivative financial assets		7,019		7,019
	(Won) 29,405	7,019	26,345	62,769
Financial liabilities designated at fair value through profit or loss	(Won) (84,196)			(84,196)
	(Won) (84,196)			(84,196)

Table of Contents10. Risk Management, Continued*(In millions of Won)*

	Level 1	Level 2	Level 3	Total
December 31, 2009				
Available-for-sale financial assets	(Won) 17,944		91,394	109,338
Financial assets designated at fair value through profit or loss			17,343	17,343
Derivative financial assets		2,737		2,737
	(Won) 17,944	2,737	108,737	129,418
Derivative financial liabilities	(Won)	(3,762)		(3,762)
Financial liabilities designated at fair value through profit or loss	(699,861)			(699,861)
	(Won) (699,861)	(3,762)		(703,623)

The derivative financial assets and liabilities are classified as Level 2 since all significant inputs to compute the fair value of the over-the-counter derivatives were observable.

In order to determine the fair value of Level 3 instruments, management used a valuation technique in which all significant inputs were based on unobservable market data. The fair values of the Level 3 instruments have been computed using a binomial tree model considering the financial conditions of the investees and by discounting estimated cash flows from stock using a yield rate that reflects investees' credit risks.

(b) Capital Management

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management also monitors the level of dividends to ordinary shareholders.

(In millions of Won)

	2010	2009
Total liabilities	(Won) 12,503,472	9,663,728
Total assets	11,289,322	10,039,749
Cash and deposits in banks	3,146,191	3,317,982
Borrowings	4,220,698	4,079,730
Debt to equity ratio	111%	96%
Net borrowing to equity ratio	9.5%	7.6%

Table of Contents11. The Nature of Expenses and Others

The nature of expenses for the nine-month periods ended September 30, 2010 and 2009 are as follows:

<i>(In millions of Won)</i>	2010	(Unreviewed) 2009
Changes in inventories	(Won) (823,827)	(529,605)
Purchase of raw materials and merchandise	12,183,066	9,328,943
Depreciation	2,142,857	2,061,851
Labor costs	1,183,863	855,071
Supplies and others	720,788	562,159
Outsourcing fee	72,969	40,379
Shipping costs	320,681	276,843
Utility expense	349,221	273,295
Fees and commissions	263,705	236,734
SVC expenses	168,292	52,854
Others	685,920	465,035
	(Won) 17,267,535	13,623,559

Total expenses consist of cost of sales, selling, administrative, research and development expenses and others (except exchange difference).

For the nine-month period ended September 30, 2010, other income and other expenses contained exchange differences amounting to (Won)1,055,486 million and (Won)1,130,004 million, respectively (nine-month period ended September 30, 2009 : (Won)1,185,671 million and (Won)1,024,813 million, respectively).

Table of Contents12. Selling and Administrative Expenses

Details of selling and administrative expenses for the nine-month periods ended September 30, 2010 and 2009 are as follows:

(In millions of Won)

	2010	(Unreviewed) 2009
Salaries	(Won) 156,396	113,839
Severance benefits	11,589	6,084
Other employee benefits	38,685	26,710
Shipping costs	258,122	228,446
Fees and commissions	72,049	53,757
Depreciation	103,428	24,653
Taxes and dues	15,220	6,745
Advertising	58,846	38,885
Sales promotion	2,534	8,801
SVC expenses	168,292	52,854
Others	148,794	103,656
	(Won) 1,033,955	664,430

13. Employee Benefits

The Group maintains a defined benefit plan that provides a lump-sum payment to an employee based on final salary rates and length of service at the time the employee leaves the Group. Current severance pay scheme, if legal requirements are satisfied, allows interim settlement upon election. Subsequent to the interim settlement, service term used for severance payment calculation is remeasured from the settlement date.

(a) Recognized liabilities for defined benefit obligations as of September 30, 2010 and December 31, 2009 are as follows:

(In millions of Won)

	2010	2009
Present value of partially funded defined benefit obligations	(Won) 368,796	260,166
Fair value of plan assets	(250,147)	(175,869)
	(Won) 118,649	84,297

Table of Contents13. Employee Benefits, Continued

(b) Expenses recognized in profit and loss for the nine-month periods ended September 30, 2010 and 2009 are as follows:

<i>(In millions of Won)</i>	2010	(Unreviewed) 2009
Current service cost	(Won) 65,938	47,485
Interest cost	11,033	11,048
Expected return on plan assets	(9,709)	(3,683)
Past service cost	12,778	
	(Won) 80,040	54,850

(c) Plan asset as of September 30, 2010 and December 31, 2009 is as follows:

<i>(In millions of Won)</i>	2010	2009
Deposits with financial institutions	(Won) 250,147	175,869

(d) Cumulative amount of actuarial gain and loss recognized in other comprehensive income is as follows:

<i>(In millions of Won)</i>	2010	2009
Cumulative amount of actuarial gain and loss	(Won) (26,450)	1,292
Income tax effect	5,490	
Cumulative amount of actuarial gain and loss, net of income tax	(Won) (20,960)	1,292

(e) Principal actuarial assumptions at September 30, 2010 and December 31, 2009 are as follows:

	2010	2009
Expected rate of salary increase	7.00%	7.00%
Discount rate for defined benefit obligations	4.70%	5.90%
Long-term rate of return on assets	6.70%	6.70%
Mortality rates	0.49%	0.49%

The overall expected long-term rate of return on assets is 6.70%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories.

14. CommitmentsFactoring and securitization of accounts receivable

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The Controlling Company has agreements with Korea Exchange Bank and several other banks for accounts receivable sales negotiating facilities of up to an aggregate of USD1,549 million in connection with its export sales transactions. As of September 30, 2010, accounts and notes receivable amounting to JPY503 million ((Won)6,861 million) were sold but are not past due.

Table of Contents14. Commitments, Continued

In October 2006, LG Display America, Inc., LG Display Germany GmbH, LG Display Shanghai Co., Ltd. and others entered into a five-year accounts receivable selling program with Standard Chartered Bank on a revolving basis, of up to USD600 million. The Controlling Company joined this program in April 2007. For the nine-month period ended September 30, 2010, no accounts and notes receivable were sold under this program

The Controlling Company has a credit facility agreement with Shinhan Bank pursuant to which the Controlling Company could negotiate its accounts receivables with Shinhan Bank up to an aggregate of (Won)50,000 million in connection with its domestic sales transactions.

In June 2009, LG Display Singapore Pte. Ltd. (LGDSG), a Group entity, entered into an accounts receivable selling program of up to USD250 million with Standard Chartered Bank. As of September 30, 2010, accounts and notes receivable amounting to USD244 million are current and outstanding in connection with the accounts and notes receivable sold by LGDSG. In June 2009, LG Display Taiwan Co., Ltd. (LGDTW), a subsidiary of the Group, entered into an accounts receivable selling program of up to USD710 million with Taishin International Bank. As of September 30, 2010, accounts and notes receivable amounting to USD202 million are current and outstanding in connection with the accounts and notes receivable sold by LGDTW. In June 2010, LG Display Shenzhen Co., Ltd. (LGDSZ) and LG Display Shanghai Co., Ltd. (LGDSH), subsidiaries of the Group, entered into accounts receivable selling programs with Bank of China Limited. As of September 30, 2010, accounts and notes receivable amounting to USD50 million are current and outstanding in connection with the accounts and notes receivable sold by LGDSZ and LGDSH. LG Display Germany GmbH (LGDDG), a subsidiary of the Group, entered into an accounts receivable selling program of up to USD125 million with Citibank, N.A. As of September 30, 2010, accounts and notes receivable amounting to USD125 million are current and outstanding in connection with the accounts and notes receivable sold by LGDDG. Since August 2010, the Controlling Company has entered into an accounts receivable selling program of up to USD100 million with Citibank, N.A. As of September 30, 2010, accounts and notes receivable amounting to USD100 million are current and outstanding in connection with the accounts and notes receivable sold by the Controlling Company.

Letters of credit

As of September 30, 2010, the Controlling Company has agreements with Korea Exchange Bank in relation to the opening of letters of credit up to USD170 million, USD20 million with China Construction Bank, USD150 million with Shinhan Bank, JPY11,000 million with Woori Bank, USD80 million with Bank of China, USD130 million with Hana Bank and JPY30,026 million with Sumitomo Mitsui Banking Corporation.

Payment guarantees

The Controlling Company receives a payment guarantee amounting to USD8.5 million from ABN AMRO Bank relating to value added tax payments in Poland. As of September 30, 2010, the Controlling Company is providing a payment guarantee to a syndicate of banks including Kookmin Bank and Societe Generale in connection with a EUR54 million term loan credit facility of LG Display Poland Sp. zo. o. LG Display Poland Sp. zo. o. is provided with a payment guarantee amounting to PLN210 million by Nordea Bank and others relating to the Simplified Procedure (deferral of VAT payment), and the Controlling Company provides payment guarantee to Nordea Bank and others in connection with their payment guarantee. In addition, the Controlling Company provides payment guarantees in connection with LG Display Singapore Ltd. s and others term loan credit facilities with aggregate amount of USD17 million and related interests.

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14. Commitments, Continued

LG Display Japan Co., Ltd. and other subsidiaries have entered into short-term credit facility agreements of up to USD215 million, EUR3.6 million, JPY6,700 million, and CNY58 million, respectively, with Mizuho Corporate Bank and other various banks. LG Display Japan Co., Ltd. and other subsidiaries are provided with repayment guarantees from the Bank of Tokyo-Mitsubishi UFJ and other various banks amounting to USD5 million, JPY1,300 million, CNY2,225 million and PLN210 million respectively, relating to their local tax payments.

License agreements

As of September 30, 2010, in relation to its TFT-LCD business, the Controlling 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 January 2009 and April 2010, the Controlling Company entered into a long-term supply agreement with Apple, Inc. to supply LCD panels for five years, respectively. In connection with the agreement, the Controlling Company received a long-term advance of USD580 million from Apple, Inc., which will offset against outstanding accounts receivable balance after a given period of time, as well as those arising from the supply of products thereafter. The Controlling Company receives payment guarantee amounting to USD100 million from Industrial Bank of Korea relating to a long-term advance received from Apple, Inc.

Pledged Assets

The Controlling Company pledged a part of its OLED machinery to the Export-Import Bank of Korea regarding the loan of credit up to USD50 million.

15. Contingencies

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

On December 1, 2006, the Group filed a complaint in the United States District Court for the District of Delaware against Chi Mei Optoelectronics Corp. and AU Optronics Corp. claiming infringement of patents related to liquid crystal displays and the manufacturing processes for TFT-LCDs. On March 8, 2007, AU Optronics Corp. filed a counter-claim against the Group in the United States District Court for the Western District of Wisconsin for alleged infringement of patents related to the manufacturing processes for TFT-LCDs but the suit was transferred to the United States District Court for the District of Delaware on May 30, 2007. On May 4, 2007, Chi Mei Optoelectronics Corp. filed a counter-claim against the Group for patent infringement in the United States District Court for the Eastern District of Texas, but the suit was transferred to the United States District Court for the District of Delaware (the Court) on March 31, 2008.

The Court bifurcated the trial between AU Optronics Corp. and Chi Mei Optoelectronics Corp. holding the first trial against AU Optronics Corp. on June 2, 2009. Although the Group had a total of nine patents to be tried and AU Optronics Corp. had a total of seven patents to be tried in the first trial against AU Optronics Corp., the trial was further bifurcated so that only four patents from each side were tried. On February 16, 2010, the Court found that the four AU Optronics Corp. patents were valid and were infringed by the Group, and on April 30, 2010, the Court further found that the Group's four patents were valid but were not infringed by AU Optronics Corp. However, the final judgment has not yet been rendered. Once all findings by the Court have been issued, the Group will review all available options including appeal. The Group is unable to predict the ultimate outcome of the above matters.

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15. Contingencies, Continued

Anvik Corporation's lawsuit for infringement of patent

On February 2, 2007, Anvik Corporation filed a patent infringement case against the Group, along with other LCD manufacturing companies in the United States District Court for the Southern District of New York, in connection with the usage of photo-masking equipment manufactured by Nikon Corporation. While there is no significant progress on this case in 2010, the Group is unable to predict the ultimate outcome of this case.

Anti-trust investigations and litigations

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

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

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

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

Subsequent to the commencement of the DOJ investigation, a number of class action complaints were filed against the Controlling Company and other TFT-LCD panel manufacturers in the U.S. and Canada alleging violation of respective antitrust laws and related laws. The class action lawsuits in the U.S. were transferred to the Northern District of California for pretrial proceedings (MDL Proceedings). On March 28, 2010, the court certified the class for some of the class action complaints filed by direct purchasers while the other class certifications were rejected. In addition, the class action complaints filed by indirect purchasers were certified.

Additionally in 2009, separate claims were filed by AT&T Corp., Motorola, Inc., Best Buy Co., Inc. and their respective related entities, all of which have been transferred to the MDL Proceedings. In addition, several state governments including the state of New York filed claims against the Controlling Company and other LCD panel manufacturing companies.

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15. Contingencies, Continued

In February 2007, regarding the anti-competitive practices in LCD panel pricing, the Controlling Company and certain of its current and former officers and directors were named as defendants in two purported class action complaints filed in the U.S. District Court for the Southern District of New York by the shareholders of the Controlling Company, alleging that the Controlling Company and certain of its officers and directors violated the U.S. Securities Exchange Act of 1934. In May 2010, the Controlling Company settled the class action complaints, subject to the Court's approval.

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

16. Capital and Reserves

(a) Share capital

The Controlling Company is authorized to issue 500,000,000 shares of capital stock (par value (Won)5,000), and as of September 30, 2010 and December 31, 2009, the number of issued common shares is 357,815,700.

There have been no changes in the capital stock for the nine-month period ended September 30, 2010.

(b) Reserves

Translation reserve

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

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

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.

(c) Dividends

The Controlling Company declared its dividend in March 2010 and paid dividends of (Won)178,908 million ((Won)500 per share) in April 2010. There are no income tax consequences.

Table of Contents17. Related Parties

(a) Key management personnel compensation

Compensation costs of key management for the nine-month periods ended September 30, 2010 and 2009 are as follows:

<i>(In millions of Won)</i>	2010	(Unreviewed) 2009
	Short-term benefits	(Won) 1,709
Severance benefits	298	213
Other long-term benefits	454	376
	(Won) 2,461	2,000

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

(b) Significant transactions with related parties

Significant transactions which occurred in the normal course of business with related parties for the nine-month periods ended September 30, 2010 and 2009 are as follows:

<i>(In millions of Won)</i>	Sales and others		Purchases and others	
	2010	(Unreviewed) 2009	2010	(Unreviewed) 2009
Joint ventures	(Won) 887,203	656,316	27,605	
Associates	6	10	1,171,554	1,027,958
LG Electronics	4,645,991	3,287,580	302,941	145,460
Other related parties	174,511	348,528	308,240	587,401
	(Won) 5,707,711	4,292,434	1,810,340	1,760,819

Account balances with related parties as of September 30, 2010 and December 31, 2009 are as follows:

<i>(In millions of Won)</i>	Trade accounts and notes receivable and others		Trade accounts and notes payable and others	
	2010	2009	2010	2009
Joint ventures	(Won) 255,473	109,572	308,741	297,717
Associates		3	275,222	164,268
LG Electronics	843,123	719,798	141,765	86,132
Other related parties		76,314	2,957	103,529
	(Won) 1,098,596	905,687	728,685	651,646

Table of Contents**18. Geographic and Other Information**

The Group manufactures and sells TFT-LCD and AM-OLED products. The segment of AM-OLED is not presented separately, as the sales of AM-OLED products are insignificant to total sales.

Export sales represent approximately 93% of total sales for the year ended September 30, 2010.

The following is a summary of sales by region based on the location of the customers for the nine-month periods ended September 30, 2010 and 2009.

(a) Revenue by geography

(In millions of Won)

Region	Revenue	
	For the nine-month periods ended September 30, (Unreviewed)	
	2010	2009
Domestic	(Won) 1,317,336	896,505
Foreign		
China	10,301,110	7,388,346
Asia (excluding China)	1,937,899	1,432,395
United States	2,388,772	1,770,524
Europe	3,083,055	2,644,788
	(Won) 19,028,172	14,132,558

Sales to LG Electronics constituted 24.4% of total revenue for the nine-month period ended September 30, 2010.

(b) Non-current assets by geography

(In millions of Won)

Region	September 30, 2010		December 31, 2009	
	Property, plant and equipment	Intangible assets	Property, plant and equipment	Intangible assets
Domestic	(Won) 11,046,494	422,026	8,730,263	340,885
Foreign				
China	950,326	15,582	601,913	10,058
Others	196,704	1,244	264,321	1,450
	(Won) 12,193,524	438,852	9,596,497	352,393

Table of Contents18. Geographic and Other Information, Continued

(c) Revenue by product

(In millions of Won)

Product	For the nine-month periods ended September 30,	
	2010	(Unreviewed) 2009
Panels for:		
Notebook computers	(Won) 3,298,985	2,544,618
Desktop monitors	4,158,396	3,311,511
TFT-LCD televisions	10,572,975	7,664,840
Others	997,816	611,589
	(Won) 19,028,172	14,132,558

19. Share-Based Payment

(a) The terms and conditions of share-based payment arrangement as of September 30, 2010 are as follows:

	Descriptions
Settlement method	Cash settlement
Type of arrangement	Stock appreciation rights (granted to senior executives)
Date of grant	April 7, 2005
Weighted-average exercise price (*1)	(Won)44,050
Number of rights granted	450,000
Number of rights forfeited (*2)	230,000
Number of rights cancelled (*3)	110,000
Number of rights outstanding	110,000
Exercise period	From April 8, 2008 to April 7, 2012
Remaining contractual life	1.5 years
Vesting conditions	Two years of service from the date of grant

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

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

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

Table of Contents19. Share-Based Payment, Continued

(b) The changes in the number of SARs outstanding for the nine-month period ended September 30, 2010 are as follows:

<i>(Number of shares)</i>	2010
Balance at beginning of year	110,000
Forfeited or cancelled	
Outstanding as of September 30, 2010	110,000
Exercisable as of September 30, 2010	110,000

(c) The fair value of SARs was estimated using the Black-Scholes option-pricing model with the following assumptions:

	September 30, 2010	December 31, 2009
Risk free rate (*1)	2.84%	3.48%
Expected term (*2)	1.0 year	1.1 year
Expected volatility	51.11%	55.57%
Expected dividends (*3)	0%	0%
Fair value per share	(Won) 4,567	(Won) 2,865
Total carrying amount of liabilities (*4)	(Won) 502,330,660	(Won) 315,126,395

(*1) Risk-free rates are interest rates of Korean government bonds.

(*2) As of September 30, 2010, the remaining contractual life is 18 months and the expected term is determined as 1 year.

(*3) The Controlling Company did not pay any dividends from 2000 through 2006 and accordingly, expected dividend used is 0% despite recent dividend yields of 1.6%, 2.3% and 1.3% in 2007, 2008 and 2009, respectively.

(*4) As of September 30, 2010, the market price of the stock does not exceed the exercise price and accordingly, the intrinsic value of the share-based payments is zero.

(d) The Group recognized stock compensation cost of (Won)187 million as administrative expenses for the nine-month period ended September 30, 2010.

Table of Contents20. Income Tax Expense

(a) Details of Income tax expense for the nine-month periods ended September 30, 2010 and 2009 are as follows:

(In millions of Won)

	2010	(Unreviewed) 2009
Current tax expense	(Won) 316,421	170,103
Deferred tax benefit	(54,254)	(130,794)
Income tax expense	(Won) 262,167	39,309

(b) Deferred tax assets and liabilities as of September 30, 2010 and December 31, 2009 are attributable to the following:

(In millions of Won)

	Assets		Liabilities		Total	
	2010	2009	2010	2009	2010	2009
Other accounts receivable, net	(Won) 21,057	19,765	(7,320)	(11,512)	(7,320)	(11,512)
Inventories, net	2,225	5,186	(4,834)	(4,488)	(2,609)	698
Available-for-sale financial assets	11,815	5,053			11,815	5,053
Employee benefits		11,660				11,660
Investment instruments in associates			(1,699)	(647)	(1,699)	(647)
Derivative instruments	90,975	60,575			90,975	60,575
Accrued expense	116,098	108,334			116,098	108,334
Property, plant and equipment			(4,868)	(19,470)	(4,868)	(19,470)
Intangible assets	20,393	16,806			20,393	16,806
Provisions	118,233	64,588	(78,188)	(57,174)	40,045	7,414
Gain or loss on foreign currency translation, net						
Debentures, net of current portion and discounts on debentures	5,019	45,874			5,019	45,874
Others	37,155	17,497			37,155	17,497
Tax credit carryforwards	656,136	664,172			656,136	664,172
Deferred income tax assets (liabilities)	(Won) 1,079,106	1,019,510	(96,909)	(93,291)	982,197	926,219

Statutory tax rate applicable to the Controlling Company is 24.2% for the nine-month period ended September 30, 2010. In accordance with the revised Corporate Income Tax Law, statutory tax rate applicable to the Controlling Company is 24.2% until 2011 and 22% thereafter.

Table of Contents21. Earnings Per Share

(a) Basic earnings per share for the three-month and nine-month periods ended September 30, 2010 and 2009 are as follows:

(In millions of Won, except earnings

<i>per share and share information)</i>	For the three-month periods ended September 30, (Unreviewed)		For the nine-month periods ended September 30, (Unreviewed)	
	2010	2009	2010	2009
Profit for the period	(Won) 221,879	595,338	1,426,462	615,654
Weighted-average number of common shares outstanding	357,815,700	357,815,700	357,815,700	357,815,700
Earnings per share	(Won) 620	1,664	3,987	1,721

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

(b) Diluted earnings per share for the three-month and nine-month periods ended September 30, 2010 and 2009 are as follows:

(In millions of Won, except earnings

<i>per share and share information)</i>	For the three-month periods ended September 30, (Unreviewed)		For the nine-month periods ended September 30, (Unreviewed)	
	2010	2009	2010	2009
Profit for the period	(Won) 221,879	595,338	1,426,462	615,654
Interest on convertible bond, net of tax	(3,565)	(20,902)	(18,453)	50,291
Adjusted income	218,314	574,436	1,408,009	665,945
Weighted-average number of common shares outstanding and common equivalent shares(*1)	359,097,397	368,457,551	361,748,429	368,457,551
Diluted earnings per share(*2)	(Won) 608	1,559	3,892	

(*1) Weighted-average number of common shares outstanding for the three-month and nine-month periods ended September 30, 2010 and 2009 is calculated as follows:

<i>(In shares)</i>	For the three-month periods ended September 30, (Unreviewed)		For the nine-month periods ended September 30, (Unreviewed)	
	2010	2009	2010	2009
Weighted-average number of common shares (basic)	357,815,700	357,815,700	357,815,700	357,815,700
Effect of conversion of convertible bonds	1,281,697	10,641,851	3,932,729	10,641,851
Weighted-average number of common shares (diluted) at September 30, 2010 and 2009	359,097,397	368,457,551	361,748,429	368,457,551

(*2) For the nine-month period ended September 30, 2009, there is no dilution effect.

Table of Contents21. Earnings Per Share, Continued

- (c) The number of dilutive potential ordinary shares outstanding for the three-month and nine-month periods ended September 30, 2010 and 2009 is calculated as follows:

- (i) 2010

(In shares)

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	Convertible bonds		Convertible bonds	Convertible bonds
Common shares to be issued	1,281,697		1,281,697	9,399,113
Period	July 1, 2010~		January 1, 2010~	January 1, 2010~
Weight	September 30, 2010 92 days / 92 days		September 30, 2010 273 days / 273 days	March 19, 2010 77 days / 273 days
Weighted-average number of common shares to be issued	1,281,697		1,281,697	2,651,032

- (ii) 2009 (Unreviewed)

(In shares)

	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	Convertible bonds		Convertible bonds	
Common shares to be issued	10,641,851		10,641,851	
Period	July 1, 2009~September 30, 2009		January 1, 2009~September 30, 2009	
Weight	92 days / 92 days		273 days / 273 days	
Weighted-average number of common shares to be issued	10,641,851		10,641,851	

Table of Contents**22. Business Combination**

The Controlling Company acquired LCD module business from LG Innotek Co., Ltd. (LG Innotek) in order to improve LCD competitiveness of the LCD module business and the operational efficiency by implementing simplified supply chain on May 1, 2010. Regarding the business acquisition, the Controlling Company acquired assets (other than land and buildings), liabilities, employment relationship and all of the rights and obligations related to LCD module business located in Gumi. In addition, LG Display Yantai Co., Ltd., the Controlling Company's subsidiary in China, also acquired assets on LCD module and Cell business from LG Innotek Yantai Co., Ltd. which is LG Innotek's subsidiary in China. The Controlling Company and LG Display Yantai Co., Ltd. measured the identifiable assets acquired and the liabilities assumed at their acquisition-date fair value and paid cash for the consideration transferred.

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

<i>(In millions of Won and CNY)</i>	Gumi		Yantai	
Consideration transferred	(Won) 72,472	CNY 1,016		(Won) 166,010
Identifiable assets acquired and the liabilities assumed				
Inventories	18,110	CNY 117		18,995
Property, plant and equipment	3,226	CNY 882		144,168
Intangible assets(*1)	36,972	CNY 17		2,847
Long-term prepaid expenses	392			
Accrued expenses	(821)			
Identifiable net asset	57,879	CNY 1,016		166,010
Goodwill(*2)	(Won) 14,593			(Won)

(*1) Intangible assets in Gumi include customer relationships and technology acquired in the business combination.

(*2) Goodwill amounting to (Won)14,593 million arose from the efficiency of LCD business and the synergy effect between the existing subsidiaries.

23. Explanation of Transition to K-IFRSs

As stated in note 2(a), these are the Group's condensed consolidated interim financial statements prepared for the part of the period covered by the first K-IFRS annual financial statements in accordance with K-IFRS 1101, *First-time adoption of Korea International Financial Reporting Standards*.

The accounting policies in note 3 have been applied in preparing the condensed consolidated interim financial statements for the nine-month period ended September 30, 2010, for the year ended December 31, 2009 and the preparation of an opening K-IFRS balance sheet as of 1 January 2009.

In preparing its opening K-IFRS consolidated statement of financial position, the Group has adjusted amounts reported previously in financial statements prepared in accordance with Korean Generally Accepted Accounting Principles (K-GAAP). An explanation of how the transition from previous GAAP to K-IFRSs has affected the Group's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

Table of Contents23. Explanation of Transition to K-IFRSs, Continued

- (a) Differences between accounting under K-IFRSs and under K-GAAP expected to have a material effect on the Group

Area	Previous K-GAAP	K-IFRS
Convertible bonds	In accordance with Statements of Korean Accounting Standards (SKAS) No. 9, the Group recognizes liability at fair value measured by the present value of the expected future cash flows and amortizes the difference between the fair value and proceeds received at the issue date using the effective interest method. The Group recognizes conversion right on debentures in equity and does not reevaluate.	In accordance with K-IFRS 1039, the convertible bonds are designated as financial liabilities at fair value through profits or loss (FVTPL) and recognized at fair value with changes in fair value recognized in profit or loss.
Employee benefits	In accordance with Statements of Korean Financial Accounting Standards (SKFAS) Article 27, the Group recognizes retirement and severance liability expected to be payable if all employees, who have been with the Group for more than one year, leaves at the end of the reporting period.	In accordance with K-IFRS 1019, the Group recognizes defined benefit obligations at present value of the expected future benefit cost using unbiased and mutually compatible actuarial assumptions about demographic variables and financial variables. Under the Group's accounting policy, all actuarial gains or losses are recognized in equity.
Share-based payment	In accordance with SKAS No. 22, liability relating to fully vested share-based payment to be settled in cash is remeasured at the intrinsic value at each reporting date and at the date of settlement and the Group recognizes the changes in the intrinsic value as compensation expenses.	In accordance with K-IFRS 1102, the Group recognizes the liability relating to fully vested share-based payment to be settled in cash at fair value at each reporting date with changes in fair value recognized in profit or loss.

Table of Contents23. Explanation of Transition to K-IFRSs, Continued

Area	Previous K-GAAP	K-IFRS
Available-for-sale securities	In accordance with SKAS No. 8, the Group recognizes available-for-sale securities at fair value with changes in fair value recognized in accumulated other comprehensive income.	In accordance with K-IFRS 1039, the Group may designate available-for-sale securities as FVTPL at inception and recognize the changes in fair value in profit or loss. In accordance with K-IFRS 1039, the Group recognizes available-for-sale debt securities at fair value with effect of changes in exchange rate recognized in profit or loss, the remaining differences between acquisition cost and fair value recognized in accumulated other comprehensive income.
Derivatives	In accordance with K-GAAP Interpretation 53-70, the Group applies cash flow hedge accounting for derivatives only if certain conditions are met.	In accordance with K-IFRS 1032, dividends are recognized when the rights to receive payment is established. Convertible preferred stock is regarded as debt security. In K-IFRS 1039, criteria to apply cash flow hedge accounting is more detailed than current K-GAAP and therefore, the Group does not apply cash flow hedge accounting since a condition of the detailed criteria is not met.
Cumulative translation differences	N/A	The cumulative translation differences for all foreign operations are deemed to be zero at January 1, 2009 (the transition date)
Capitalization of development cost	In accordance with SKAS No. 3, an internally generated intangible asset is recognized only if it is highly probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably	In accordance with K-IFRS 1038, an internally generated intangible asset is recognized if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.
Deferred taxes	In accordance with SKAS No. 16, recognition of deferred tax assets and liabilities is based on assessment of temporary differences regardless of how each temporary difference is reversed. Deferred taxes are classified as current or non-current based on classification of related item in the financial statements.	In accordance with K-IFRS 1012, deferred tax assets and liabilities are recognized based on assessment of temporary differences that considers how each temporary difference is reversed. Deferred tax assets and liabilities are classified as non-current.

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Classification of current and non-current
for items not related to balance sheet
items are determined based on estimated
reversal.

Table of Contents23. Explanation of Transition to K-IFRSs, Continued

Area	Previous K-GAAP	K-IFRS
Long-term payables	In accordance with SKFAS Article 66, long-term payables of LGDUS are discounted using the Group's weighted average borrowing rate.	In accordance with K-IFRS 1039, long-term payables of LGDUS are discounted using risk free rate.
Allocation of difference between cost and book value of investment (Goodwill)	In accordance with K-GAAP, the Group amortizes goodwill over its estimated useful life under straight-line method	In accordance with K-IFRS 1028,, the Group does not amortize but periodically reviews the goodwill for impairment
Bargain purchase of investments	In accordance with K-GAAP, the Group allocates negative goodwill to distinguishable non-monetary asset over weighted average useful lives using straight-line method and unallocated amount is recognized in current period's earnings	In accordance with K-IFRS 1028,, the excess of acquirer's interest in the net fair value of acquiree's identifiable assets remaining after reassessing the identification and measurement of assets, liabilities and contingent liabilities is recognized immediately in earnings
Borrowing costs	In accordance with SKAS No. 7, borrowing costs are capitalized regardless of time required to get an asset ready for its intended use.	In accordance with K-IFRS 1023, borrowing costs that take a substantial period of time required to get an asset ready for its intended use is capitalized.
Changes in scope of consolidation	Scope of consolidation is determined in accordance with SKAS 25. In addition, scope of consolidation is determined in accordance with Act on External Audit of Stock Companies of Korea.	In accordance with K-IFRS 1027, scope of consolidation is determined based on control model.

Table of Contents23. Explanation of Transition to K-IFRSs, Continued

(b) Summary of the effects of the adoption of K-IFRSs on the Group's financial position and the results of its operation

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

(in millions of won)

	Total assets	Total liabilities	Total equity
K-GAAP	(Won) 17,388,366	8,099,743	9,288,623
Adjustment for:			
Convertible bonds (*1)		134,568	(134,568)
Employee benefits (*2)		5,170	(5,170)
Share-based payments (*3)		114	(114)
Long-term payables (*4)		56,661	(56,661)
Equity method investments (*5)	10,002		10,002
Cumulative translation adjustment (*6)	46,513		46,513
Deferred tax asset (*7)	31,881	(2)	31,883
Changes in scope of consolidation (*8)	(14,913)	(2,312)	(12,601)
Total adjustment	73,483	194,199	(120,716)
K-IFRS	(Won) 17,461,849	8,293,942	9,167,907

(*1) Designation of convertible bonds as financial liability at fair value through profit or loss under K-IFRS

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

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

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

(*5) Reversal of amortization of goodwill on equity method investments and recognition of bargain purchase of investments

(*6) Difference in deferred taxes on change in cumulative translation adjustment

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

(*8) Elimination of Suzhou Raken Technology Ltd. from the scope of consolidation

Table of Contents23. Explanation of Transition to K-IFRSs, Continued

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

(in millions of won)

	Total assets	Total liabilities	Total equity
K-GAAP	(Won) 19,538,190	9,322,297	10,215,893
Adjustment for:			
Convertible bonds (*1)		170,316	(170,316)
Employee benefits (*2)		25,322	(25,322)
Share-based payments (*3)		315	(315)
Long-term payables (*4)		37,050	(37,050)
Equity method investments (*5)	7,312		7,312
Capitalized borrowing costs (*6)	(1,666)		(1,666)
Development cost (*7)	80,454		80,454
Cumulative translation differences (*8)	39,453		39,453
Deferred tax asset (*9)	24,122		24,122
Changes in scope of consolidation (*10)	15,613	108,429	(92,816)
Total adjustment	165,288	341,432	(176,144)
K-IFRS	(Won) 19,703,478	9,663,729	10,039,749

- (*1) Designation of convertible bonds as financial liability at fair value through profit or loss under K-IFRS
(*2) Assessment of employee benefits using actuarial assumptions under K-IFRS
(*3) Measurement of share-based payment using fair value under K-IFRS
(*4) Difference in discount rate applied to present value calculation of long-term payables
(*5) Reversal of amortization of goodwill on equity method investments and recognition of bargain purchase of investments
(*6) Difference in capitalization of borrowing costs that takes a substantial period of time to get ready for its intended use
(*7) Capitalization of development costs meeting capitalization criteria under K-IFRS
(*8) Difference in deferred taxes on change in cumulative translation adjustment
(*9) Deferred tax adjustments on differences in accounting balances under K-IFRS and current K-GAAP
(*10) Elimination of Suzhou Raken Technology Ltd. from the scope of consolidation

Table of Contents23. Explanation of Transition to K-IFRSs, Continued

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

(in millions of won)

	Net income	Total comprehensive income
K-GAAP	(Won) 1,083,653	1,036,407
Adjustment for:		
Convertible bonds (*1)	(35,748)	(35,748)
Employee benefits (*2)	(1,259)	(20,152)
Share-based payments (*3)	(201)	(201)
Available for sale securities (*4)	(3,373)	
Derivatives (*5)	8,337	
Long-term payables (*6)	17,075	19,611
Equity method investments (*7)	205	(2,690)
Financial asset at fair value through profit and loss (*8)	2,906	
Capitalized borrowing costs (*9)	(1,666)	(1,666)
Development cost (*10)	80,454	80,454
Cumulative translation differences (*11)		(7,060)
Deferred tax asset (*12)	(13,360)	(7,761)
Changes in scope of consolidation (*13)	(19,245)	(10,443)
Total adjustment	34,125	14,344
K-IFRS	(Won) 1,117,778	1,050,751

- (*1) Designated convertible bonds as financial liability at fair value through profit or loss under K-IFRS
(*2) Assessment of employee benefits using actuarial assumptions under K-IFRS
(*3) Measurement of share-based payment using fair value under K-IFRS
(*4) Gains/losses on foreign currency translation and interest income on convertible preferred stocks
(*5) Derivatives previously accounted for as cash flow hedge were derecognized as held-for-trading derivative asset
(*6) Difference in discount rate applied to present value calculation of long-term payables
(*7) Reversal of amortization of goodwill on equity method investments and recognition of bargain purchase of investments
(*8) Fair value recognition of investment assets designated as financial asset at fair value through profit
(*9) Difference in capitalization of borrowing costs that takes a substantial period of time to get ready for its intended use
(*10) Capitalization of development costs meeting capitalization criteria under K-IFRS
(*11) Difference in deferred taxes on change in cumulative translation adjustment
(*12) Deferred tax adjustments on differences in accounting balances under K-IFRS and current K-GAAP
(*13) Elimination of Suzhou Raken Technology Ltd. from the scope of consolidation

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LG DISPLAY CO., LTD.

Condensed Interim Financial Statements

(Unaudited)

September 30, 2010

(With Independent Auditors' Review Report Thereon)

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Independent Auditors' Review Report

Based on a report originally issued in Korean

The Board of Directors and Stockholders

LG Display Co., Ltd.:

We have reviewed the accompanying condensed statement of financial position of LG Display Co., Ltd. (the Company) as of September 30, 2010, and the related condensed statements of comprehensive income for each of the three-month and nine-month periods ended September 30, 2010, changes in equity and cash flows for the nine-month period ended September 30, 2010. Management is responsible for the preparation and fair presentation of these condensed financial statements. Our responsibility is to issue a report on these condensed interim financial statements based on our review. The accompanying condensed statements of comprehensive income for each of the three-month and nine-month period ended September 30, 2009, changes in equity and cash flows for the nine-month period ended September 30, 2009, presented for comparative purposes, were not reviewed.

We conducted our review in accordance with the Review Standards for Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. These standards require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review consists principally of inquiries of company personnel and analytical procedures applied to financial data and, thus, provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our reviews, nothing has come to our attention that causes us to believe that the condensed interim financial statements referred to above are not presented fairly, in all material respects, in accordance with Korean International Financial Reporting Standards.

We have audited the statement of financial position as of December 31, 2009, not accompanying this review report, prepared and presented in accordance with accounting principles generally accepted in the Republic of Korea (not Korean International Financial Reporting Standards), and our report thereon, dated February 16, 2010, expressed an unqualified opinion. In addition, we have reviewed the statements of income for each of the three-month and nine-month period ended September 30, 2009, changes in equity and cash flows for the nine-month period ended September 30, 2009, not accompanying this review report, prepared and presented in accordance with accounting principles generally accepted in the Republic of Korea (not Korean International Financial Reporting Standards), in accordance with the Review Standards for Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea and our review report thereon, dated October 16, 2009, expressed that nothing had come to our attention that caused us to believe that the interim financial statements referred to above were not presented fairly in all material respects in accordance with accounting principles generally accepted in the Republic of Korea.

As discussed in note 15 to the condensed interim financial statements, the Company is under investigations by Korea Fair Trade Commission in Korea, European Commission and antitrust authorities in other countries with respect to possible anti-competitive activities in the LCD industry. In addition, the Company has been named as defendants in a number of federal class actions in the United States and Canada and related individual lawsuits based on alleged antitrust violations concerning the sale of LCD panels, and the Company and certain of its officers and directors have been named as defendants in a federal class action in the United States by shareholders of the Company alleging violations of the U.S. Securities Exchange Act of 1934. The Company estimated and recognized losses related to these legal proceedings. However, actual losses are subject to change in the future based on new developments in each matter, or changes in circumstances, which could be materially different from those estimated and recognized by the Company.

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As discussed in note 2(a), the Company prepared the condensed interim financial statements in accordance with accounting policies management plans to adopt for its first annual financial statements in accordance with Korean International Financial Reporting Standards. The accounting policies applied for the interim financial statements may be changed by management as considered necessary in the course of preparation of its first annual financial statements in accordance with Korean International Financial Reporting Standards for the year ending December 31, 2010.

/s/ KPMG Samjong Accounting Corp.
Seoul, Korea
October 22, 2010

This report is effective as of October 22, 2010, 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 interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that there is a possibility that the above review report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

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LG DISPLAY CO., LTD.

Condensed Statements of Financial Position

(Unaudited)

As of September 30, 2010 and December 31, 2009

<i>(In millions of Won)</i>	Note	2010	2009
Assets			
Cash and cash equivalents	10	(Won) 1,119,739	704,324
Deposits in banks	10	1,901,500	2,500,000
Trade accounts and notes receivable, net	10, 14, 17	3,766,638	3,252,945
Other accounts receivable, net	10, 17	270,013	128,983
Other current financial assets	10	9,748	2,737
Inventories	5	1,980,435	1,286,305
Other current assets		197,296	98,061
Total current assets		9,245,369	7,973,355
Investments	6	1,203,017	1,075,229
Other non-current financial assets		54,829	128,432
Deferred tax assets	19	889,530	846,573
Property, plant and equipment, net	7	11,046,494	8,730,263
Intangible assets, net	8	422,026	340,885
Other non-current assets		169,836	162,130
Total non-current assets		13,785,732	11,283,512
Total assets	(Won)	23,031,101	19,256,867
Liabilities			
Trade accounts and notes payable	10, 17	(Won) 2,832,165	2,014,909
Current financial liabilities	9, 10	1,521,751	1,845,516
Other accounts payable	10, 17	2,931,468	1,392,811
Accrued expenses		515,069	331,651
Income tax payable		179,516	120,206
Provisions		467,197	370,605
Other current liabilities		37,123	44,965
Total current liabilities		8,484,289	6,120,663
Non-current financial liabilities	9, 10	2,274,908	1,954,547
Non-current provisions		7,269	5,611
Employee benefits	13	118,508	84,160
Long-term advances received	14	662,360	583,800
Other non-current liabilities		334,326	473,888
Total non-current liabilities		3,397,371	3,102,006
Total liabilities		11,881,660	9,222,669

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Equity			
Share capital	16	1,789,079	1,789,079
Share premium		2,251,113	2,251,113
Reserves	16	(7,890)	(17,366)
Retained earnings		7,117,139	6,011,372
Total equity		11,149,441	10,034,198
Total liabilities and equity		(Won) 23,031,101	19,256,867

See accompanying notes to the condensed interim financial statements.

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LG DISPLAY CO., LTD.

Condensed Interim Statement of Comprehensive Income

(Unaudited)

For the three-month and nine-month periods ended September 30, 2010 and 2009

<i>(In millions of Won, except earnings per share)</i>	Note	For the three-month periods ended September 30		For the nine-month periods ended September 30	
		2010	2009 (Unreviewed)	2010	2009 (Unreviewed)
Revenue	17 (Won)	6,414,075	5,959,445 (Won)	18,793,301	14,194,396
Cost of sales	5,11,17	(5,920,561)	(4,761,139)	(15,995,799)	(12,701,390)
Gross profit		493,514	1,198,306	2,797,502	1,493,006
Other income	11	328,435	207,894	731,075	1,064,220
Selling expenses	11,12	(163,472)	(69,612)	(416,767)	(227,657)
Administrative expenses	11,12	(112,829)	(68,358)	(322,791)	(188,053)
Research and development expenses	11	(165,593)	(93,385)	(469,029)	(289,808)
Other expenses	11	(334,387)	(417,800)	(866,578)	(1,123,316)
Results from operating activities		45,668	757,045	1,453,412	728,392
Finance income		165,452	135,954	232,105	223,347
Finance costs		(66,108)	(99,500)	(157,501)	(237,956)
Other non-operating loss, net		(2,328)	41	(5,242)	(337)
Profit before income tax		142,684	793,540	1,522,774	713,446
Income tax expense (benefit)	19	(32,600)	123,020	217,139	51,247
Profit for the period		175,284	670,520	1,305,635	662,199
Other comprehensive income (loss)					
Net change in fair value of available-for-sale financial assets		4,402	(26,831)	12,149	(31,768)
Net change in fair value of cash flow hedges transferred to profit or loss					2,534
Defined benefit plan actuarial gain or loss	13	(26,456)	189	(26,450)	1,292
Income tax on other comprehensive income		4,521	5,903	2,817	6,375
Other comprehensive income (loss) for the period, net of income tax		(17,533)	(20,739)	(11,484)	(21,567)
Total comprehensive income for the period	(Won)	157,751	649,781 (Won)	1,294,151	640,632
Earnings per share					
Basic earnings per share	20 (Won)	490	1,874 (Won)	3,649	1,851

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Diluted earnings per share	20	(Won)	478	1,763	(Won)	3,558	1,851
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See accompanying notes to the condensed interim financial statements.

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LG DISPLAY CO., LTD.

Condensed Interim Statement of Changes in Equity

(Unaudited)

For the nine-month periods ended September 30, 2010 and 2009

<i>(In millions of Won)</i>		Share capital	Share premium	Hedging reserve	Fair value reserve	Retained earnings	Total equity
Balances at January 1, 2009	(Won)	1,789,079	2,251,113	(1,920)	3,703	5,115,872	9,157,847
Total comprehensive income for the period							
Profit for the period						662,199	662,199
Other comprehensive income (loss)							
Net change in fair value of available-for-sale financial assets, net of tax					(24,779)		(24,779)
Net change in fair value of cash flow hedges transferred to profit or loss, net of tax				1,920			1,920
Defined benefit plan actuarial gain, net of tax						1,292	1,292
Total other comprehensive income (loss)				1,920	(24,779)	1,292	(21,567)
Total comprehensive income (loss) for the period	(Won)			1,920	(24,779)	663,491	640,632
Transaction with owners, recorded directly in equity							
Dividends to equity holders						(178,908)	(178,908)
Balances at September 30, 2009 (Unreviewed)	(Won)	1,789,079	2,251,113		(21,076)	5,600,455	9,619,571
Balances at January 1, 2010	(Won)	1,789,079	2,251,113		(17,366)	6,011,372	10,034,198
Total comprehensive income for the period							
Profit for the period						1,305,635	1,305,635
Other comprehensive income							
Net change in fair value of available-for-sale financial assets, net of tax					9,476		9,476
Defined benefit plan actuarial gain, net of tax						(20,960)	(20,960)
Total other comprehensive income					9,476	(20,960)	(11,484)
Total comprehensive income for the period	(Won)				9,476	1,284,675	1,294,151
Transaction with owners, recorded directly in equity							
Dividends to equity holders						(178,908)	(178,908)
Balances at September 30, 2010	(Won)	1,789,079	2,251,113		(7,890)	7,117,139	11,149,441

See accompanying notes to the condensed interim financial statements.

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LG DISPLAY CO., LTD.

Condensed Interim Statement of Cash Flows

(Unaudited)

For the nine-month periods ended September 30, 2010 and 2009

<i>(In millions of Won)</i>		2010	(Unreviewed) 2009
Cash flows from operating activities:			
Profit for the period	(Won)	1,305,635	662,199
Adjustments for:			
Income tax expense		217,139	51,247
Depreciation		1,841,284	1,865,119
Amortization of intangible assets		114,612	36,779
Gain on foreign currency translation		(66,041)	(184,007)
Loss on foreign currency translation		148,251	111,743
Gain on disposal of property, plant and equipment		(1,260)	(2,443)
Loss on disposal of property, plant and equipment		212	132
Gain on disposal of intangible assets			(9)
Finance income		(225,624)	(173,210)
Finance costs		112,934	152,043
Other income		(43,299)	(42,996)
Other expenses		345,222	355,924
		3,749,065	2,832,521
Change in trade accounts and notes receivable		(619,688)	(1,161,906)
Change in other accounts receivable		(20,423)	(52,049)
Change in other current assets		(76,984)	50,616
Change in inventories		(676,021)	(499,675)
Change in other non-current assets		(46,371)	(19,030)
Change in trade accounts and notes payable		847,939	991,487
Change in other accounts payable		(69,776)	(278,290)
Change in accrued expenses		178,708	90,707
Change in other current liabilities		(8,030)	28,715
Change in long-term advances received		90,480	695,500
Change in other non-current liabilities		6,202	
Change in provisions		(133,696)	(45,082)
Change in defined benefit obligation		(72,023)	(6,697)
Cash generated from operating activities		3,149,382	2,626,817
Income tax paid		(197,969)	(311,433)
Interest received		87,523	152,975
Interest paid		(72,968)	(85,409)
Net cash from operating activities	(Won)	2,965,968	2,382,950

See accompanying notes to the condensed interim financial statements.

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LG DISPLAY CO., LTD.

Condensed Interim Statement of Cash Flows, Continued

(Unaudited)

For the nine-month periods ended September 30, 2010 and 2009

<i>(In millions of Won)</i>	2010	(Unreviewed) 2009
Cash flows from investing activities:		
Dividends received	(Won) 63,342	28,561
Proceeds from withdrawal of deposits in banks	3,600,000	3,055,000
Increase in deposits in banks	(3,001,500)	(2,800,000)
Acquisition of investments	(272,265)	(153,901)
Proceeds from disposal of investments	20,530	
Acquisition of property, plant and equipment	(2,570,263)	(2,352,062)
Proceeds from disposal of property, plant and equipment	1,688	7,141
Acquisition of intangible assets	(122,230)	(150,696)
Proceeds from disposal of intangible assets		11
Grant received	41	969
Proceeds from settlement of derivatives	(5,358)	12,714
Proceeds from short-term loans		12,575
Acquisition of non-current financial assets	(34,321)	(28)
Proceeds from disposal of non-current financial assets	4,307	693
Acquisition of LCD module business	(72,472)	
Net cash used in investing activities	(2,388,501)	(2,339,023)
Cash flows from financing activities:		
Proceeds from short-term borrowings	447,678	486,824
Repayment of short-term borrowings	(457,755)	(601,068)
Issuance of debentures	918,302	
Redemption of debentures		(200,000)
Proceeds from long-term debt	424,777	321,356
Repayment of long-term debt	(120,000)	
Repayment of current portion of long-term debt	(1,196,146)	(262,651)
Payment of cash dividend	(178,908)	(178,908)
Net cash used in financing activities	(162,052)	(434,447)
Net increase (decrease) in cash and cash equivalents	415,415	(390,520)
Cash and cash equivalents at 1 January	704,324	1,207,786
Cash and cash equivalents at 30 September	(Won) 1,119,739	817,266

See accompanying notes to the condensed interim financial statements.

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LG DISPLAY CO., LTD.

Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

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 65-228, Hangang-ro 3-ga, Yongsan-gu, Seoul, the Republic of Korea, to which the Company moved in September 2010. In July 1999, LG Electronics Inc. and Koninklijke Philips Electronics N.V. (Philips) entered into a joint venture agreement. Pursuant to the agreement, the Company changed its name to LG.Philips LCD Co., Ltd. However, on February 29, 2008, the Company changed its name to LG Display Co., Ltd. based upon the approval of shareholders at the general shareholders meeting on the same date as a result of the decrease in Philips's share interest in the Company and the possibility of its business expansion to Organic Light Emitting Diode (OLED) and Flexible Display products. As of September 30, 2010, LG Electronics Inc. owns 37.9% (135,625,000 shares) of the Company's common shares.

As of September 30, 2010, the Company has its LCD Research & Development Center and TFT-LCD manufacturing plants in Paju and TFT-LCD manufacturing plants and OLED manufacturing plant in Gumi. The Company has overseas subsidiaries located in the United States of America, Europe and Asia.

The Company's common stock is listed on the Korea Exchange under the identifying code 034220. As of September 30, 2010, 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 September 30, 2010, there are 26,777,668 ADSs outstanding.

2. Basis of Presenting Financial Statements

(a) Statement of Compliance

The financial statements have been prepared in accordance with Korean International Financial Reporting Standards (K-IFRSs). The Company determined to adopt the K-IFRSs for annual periods beginning on January 1, 2010. The Company's transition date to K-IFRSs from its previous GAAP (generally accepted accounting principles) is January 1, 2009.

The condensed interim financial statements have been prepared in accordance with K-IFRS No. 1027, *Consolidated and Separate Financial Statements*. Investments in subsidiaries, jointly controlled entities and associated are accounted for at deemed cost under K-IFRS No. 1101, *First-time Adoption of International Financial Reporting Standards*, or acquisition cost, not based on the investee's financial performance and net assets.

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LG DISPLAY CO., LTD.

Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

2. Basis of Presenting Financial Statements, Continued

(a) Statement of Compliance, Continued

The condensed interim financial statements have been prepared in accordance with K-IFRS 1034, *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements. The condensed interim financial statements for the nine-month period ended September 30, 2010 and the comparative financial statements for the nine-month period ended September 30, 2009 were prepared applying the accounting policies adopted by the Company as described below. The condensed interim financial statement as of the transition date was also prepared using the same accounting policies. An explanation of how the transition to K-IFRS has affected the reported financial position of the Company as of January 1 and December 31, 2009, and financial performance of the Company for the year ended December 31, 2009 and nine-month period ended September 30, 2009 is provided in note 22.

The Company prepared the condensed interim financial statements in accordance with accounting policies management plans to adopt for its first annual financial statements in accordance with K-IFRSs. The accounting policies applied for the interim financial statements may be changed by management as considered necessary in the course of preparation of its first annual financial statements in accordance with K-IFRSs for the year ending December 31, 2010.

The condensed interim financial statements were authorized for issue by the Board of Directors on October 20, 2010.

(b) Basis of Measurement

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

derivative financial instruments are measured at fair value

financial instruments at fair value through profit or loss are measured at fair value

available-for-sale financial assets are measured at fair value

liabilities for cash-settled share-based payment arrangements are measured at fair value

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

(c) Functional and Presentation Currency

The condensed 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 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.

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LG DISPLAY CO., LTD.

Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

2. Basis of Presenting Financial Statements, Continued

(d) Use of Estimates and Judgments, Continued

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Classification of financial instruments (note 3(c))

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next 12 months is included in the following notes:

Recognition and measurement of provision (note 3(i))

Measurement of defined benefit obligations (note 13)

3. Summary of Significant Accounting Policies

The significant accounting policies followed by the Company in preparation of its condensed interim financial statements are as follows:

(a) Foreign Currency Transactions and Translation

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss, except for differences arising on available-for-sale equity instruments and a financial asset and liability designated as a cash flow hedge, which are recognized in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of

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monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or previous financial statements shall be recognized in profit or loss in the period in which they arise.

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LG DISPLAY CO., LTD.

Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

3. Summary of Significant Accounting Policies, Continued

(b) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted-average method, and includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in process, cost includes an appropriate share of production overheads based on the actual capacity of production facilities. However, the normal capacity is used for allocation of fixed production overhead if the actual level of production is lower than the normal capacity.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated selling expenses.

(c) Financial Instruments

(i) Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date they are originated. All other financial assets, including financial assets at fair value through profit or loss, are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. If a transfer does not result in derecognition because the Company has retained substantially all the risks and rewards of ownership of the transferred asset, the Company continues to recognize the transferred asset and recognizes a financial liability for the consideration received. In subsequent periods, the Company recognizes any income on the transferred assets and any expense incurred on the financial liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial assets: financial assets at fair value through profit or loss, loans and receivables and available-for-sales financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. If a contract contains one or more embedded derivatives, the Company designates the entire hybrid (combined) contract as a

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financial asset at fair value through profit or loss unless: the embedded derivative(s) does not significantly modify the cash flows that otherwise would be required by the contract; or it is clear with little or no analysis when a similar hybrid (combined) instrument is first considered that separation of the embedded derivative(s) is prohibited. Upon initial recognition, attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

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LG DISPLAY CO., LTD.

Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

3. Summary of Significant Accounting Policies, Continued

(c) Financial Instruments, Continued

(i) Non-derivative financial assets, Continued

Held-to-maturity financial assets

If the Company has non-derivative debt securities with fixed or determinable payments and fixed maturity and the Company has the positive intention and ability to hold to maturity, then such financial assets are classified as held-to-maturity. When held-to-maturity financial assets are recognized initially, the Company measures it at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent to initial recognition held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than an insignificant amount of held-to-maturity investment not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Company from classifying any financial assets as held-to-maturity for the current and the following two financial years.

Cash and cash equivalents

Cash and cash equivalents include all cash balances and short-term highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash. They are stated at face value, which approximates fair value.

Deposits in banks

Deposits in banks are those with maturity of more than three months and less than one year and are held for cash management purposes.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. When loans and receivables are recognized initially, the Company measures it at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade accounts and notes receivable and other accounts receivable.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or that are not classified as financial assets at fair value through profit or loss, held-to-maturity financial assets or loans and receivables. The Company's investments in

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equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognized, the cumulative gain or loss in other comprehensive income is transferred to profit or loss.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and whose derivatives are linked to and must be settled by delivery of such unquoted equity instruments are measured at cost.

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LG DISPLAY CO., LTD.

Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

3. Summary of Significant Accounting Policies, Continued

(c) Financial Instruments, Continued

(ii) Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. The Company classifies liabilities into two categories in accordance with the substance of the contractual arrangement and the definitions of a financial liability: financial liabilities at fair value through profit or loss and other financial liabilities.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading or designated as such upon initial recognition at fair value through profit or loss. After initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss. Upon initial recognition, transaction costs that are directly attributable to the acquisition are recognized in profit or loss as incurred. As of September 30, 2010, financial liabilities at fair value through profit or loss of the Company consist of convertible bonds.

Non-derivative financial liabilities other than financial liabilities classified as fair value through profit or loss are classified as other financial liabilities and measured initially at fair value minus transaction costs that are directly attributable to the issue. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. As of September 30, 2010, non-derivative financial liabilities comprise borrowings, bonds and others.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

(iii) Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of tax effects. Capital contributed in excess of par value upon issuance of common stocks is classified as share premium within equity.

(iv) Derivative financial instruments, including hedge accounting

The Company holds forward exchange contract, interest rate swap, currency swap and other derivative contracts to manage interest rate risk and foreign exchange risk. Derivatives are initially recognized at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss except in the case where the derivatives are designated as cash flow hedge and the hedge is determined to be an effective hedge.

The Company designated derivatives as hedging items to hedge the risk of changes in the fair value of assets, liabilities or firm commitments (a fair value hedge) and foreign currency risk of highly probable forecast transactions or firm commitments (a cash flow hedge).

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Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

3. Summary of Significant Accounting Policies, Continued

(c) Financial Instruments, Continued

(iv) Derivative financial instruments, including hedge accounting, Continued

On initial designation of the hedge, the Company formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Company makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported net income.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and presented in the hedging reserve in equity. The amount recognized in other comprehensive income is removed and included in profit or loss in the same period as the hedged cash flows affect profit or loss under the same line item in the statement of comprehensive income as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in other comprehensive income and presented in the hedging reserve in equity remains there until the forecast transaction affects profit or loss. When the hedged item is a non-financial asset, the amount recognized in other comprehensive income is transferred to the carrying amount of the asset when the asset is recognized. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income is recognized immediately in profit or loss. In other cases the amount recognized in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss.

Embedded derivative

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss. Changes in the fair value of separable embedded derivatives are recognized immediately in profit or loss.

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Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

3. Summary of Significant Accounting Policies, Continued**(d) Property, Plant and Equipment****(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes an expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

The gain or loss arising from the derecognition of an item of property, plant and equipment shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and recognized in other income and expenses.

(ii) Subsequent costs

Subsequent expenditure on an item of property, plant and equipment is recognized as part of its cost only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognized in profit or loss on a straight-line basis method, reflecting the pattern in which the asset's future economic benefits are expected to be consumed by the Company. The residual value of property, plant and equipment is zero. Land is not depreciated.

Estimated useful lives of the assets are as follows:

	Useful lives (years)
Buildings and structures	20, 40
Machinery	4
Furniture and fixtures	4
Equipment, tools, vehicle	4, 12

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The changes are accounted for as changes in accounting estimates.

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LG DISPLAY CO., LTD.

Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

3. Summary of Significant Accounting Policies, Continued

(e) Borrowing Costs

The Company capitalizes borrowing costs, which includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs, directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. To the extent that the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. The Company immediately recognizes other borrowing costs as an expense.

(f) Government Grants

In case there is reasonable assurance that the Company will comply with the conditions attached to a government grant, the government grant is recognized as follows:

Grants related to the purchase or construction of assets

A government grant related to the purchase or construction of assets is deducted in calculating the carrying amount of the asset. The grant is recognized in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

Grants for compensating the Company's expenses incurred

Grants that compensate the Company for expenses incurred are recognized in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognized.

Other government grants

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognized as income of the period in which it becomes receivable.

(g) Intangible Assets

Intangible assets are initially measured at cost. Subsequently, intangible assets are measured at cost less accumulated amortization and accumulated impairment losses.

(i) Goodwill

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Goodwill arising upon the business combinations is recognized at the excess of the acquisition cost of investments in subsidiaries, associates and joint ventures over the Company's share of the net fair value of the identifiable assets acquired and liabilities assumed. Any deficit is a bargain purchase that is recognized in profit or loss. Goodwill is measured at cost less accumulated impairment losses.

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LG DISPLAY CO., LTD.

Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

3. Summary of Significant Accounting Policies, Continued

(g) Intangible Assets, Continued

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

Development activities involve a plan or design of the production of new or substantially improved products and processes. Development expenditure is capitalized only if the Company can demonstrate all of the following:

the technical feasibility of completing the intangible asset so that it will be available for use or sale,

its intention to complete the intangible asset and use or sell it,

its ability to use or sell the intangible asset,

how the intangible asset will generate probable future economic benefits. Among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset,

the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and

its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The expenditure capitalized includes the cost of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs on qualifying assets.

(iii) Other intangible assets

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Other intangible assets include intellectual property rights, software, customer relationship, technology, membership and others.

(iv) Subsequent costs

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific intangible asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

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Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

3. Summary of Significant Accounting Policies, Continued(g) Intangible Assets, Continued(v) Amortization

Amortization is calculated on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The residual value of intangible assets is zero. However, as there are no foreseeable limits to the periods over which country club membership and golf club membership are expected to be available for use, these intangible assets are regarded as having indefinite useful lives and not amortized.

	Estimated useful lives (years)
Intellectual property rights	5, 10
Rights to use electricity, water and gas supply facilities	10
Software	4
Customer relationship	7
Technology	10
Development costs	(*)
Condominium and golf club membership	Not amortized

(*) Capitalized development costs are amortized over the useful life considering the life cycle of the developed products. Amortization periods and the amortization methods for intangible assets with finite useful lives are reviewed at each financial year-end. The useful lives of intangible assets that are not being amortized are reviewed each period to determine whether events and circumstances continue to support indefinite useful life assessments for those assets. If appropriate, the changes are accounted for as changes in accounting estimates.

(h) Impairment(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

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Objective evidence that financial assets are impaired can include default or delinquency in interest or principal payments by an issuer or a debtor, for economic reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the Company would not otherwise consider, or the disappearance of an active market for that financial asset. In addition, for an investment in an equity security, objective evidence of impairment includes significant financial difficulty of the issuer and a significant or prolonged decline in its fair value below its cost.

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Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

3. Summary of Significant Accounting Policies, Continued

(h) Impairment, Continued

(i) Financial assets, Continued

The Company considers evidence of impairment for receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together receivables and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

If there is objective evidence that an impairment loss has been incurred on financial assets carried at amortized cost or cost, the amount of the impairment loss is measured as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognized in profit or loss and reflected in an allowance account against loans and receivables.

The amount of the impairment loss on financial assets including equity securities carried at cost is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

When a decline in the fair value of an available-for-sale financial asset has been recognized in other comprehensive income, the amount of the cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

In a subsequent period, for the financial assets recorded at fair value, if the fair value increases and the increase can be objectively related to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed. The amount of the reversal in financial assets carried at amortized cost and a debt instrument classified as available for sale is recognized in profit or loss. However, impairment loss recognized for an investment in an equity instrument classified as available-for-sale is reversed through other comprehensive income.

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LG DISPLAY CO., LTD.

Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

3. Summary of Significant Accounting Policies, Continued

(h) Impairment, Continued

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than assets arising from employee benefits, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, irrespective of whether there is any indication of impairment, the recoverable amount is estimated each year at the same time.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or CGU). The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs to sell is based on the best information available to reflect the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss in respect of goodwill is not reversed.

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LG DISPLAY CO., LTD.

Notes to the Condensed Interim Financial Statements

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(Unaudited)

3. Summary of Significant Accounting Policies, Continued

(i) Provision

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The risks and uncertainties that inevitably surround events and circumstances are taken into account in reaching the best estimate of a provision. Where the effect of the time value of money is material, provisions are determined at the present value of the expected future cash flows. The unwinding of the discount is recognized as finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

The Company recognizes a liability for warranty obligations based on the estimated costs expected to be incurred under its basic limited warranty. This warranty covers defective products and is normally applicable for eighteen months from the date of purchase. These liabilities are accrued when product revenues are recognized. Warranty costs primarily include raw materials and labor costs. Factors that affect the Company's warranty liability include historical and anticipated rate of warranty claims on those repairs and cost per claim to satisfy the Company's warranty obligation. As these factors are impacted by actual experience and future expectations, management periodically assesses the adequacy of its recorded warranty liabilities and adjusts the amounts as necessary. Accrued warranty obligations are included in the current and non-current provisions.

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources, are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

(j) Employee Benefits

(i) Short-term employee benefit

Short-term employee benefits that are due to be settled within twelve months after the end of the period in which the employees render the related service are recognized in profit or loss on an undiscounted basis. The expected cost of profit-sharing and bonus plans are recognized when the Company has a present legal or constructive obligation to make payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) Other long-term employee benefit

The Company's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

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LG DISPLAY CO., LTD.

Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

3. Summary of Significant Accounting Policies, Continued

(j) Employee Benefits, Continued

(iii) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(iv) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than defined contribution plans. The Company's net obligation in respect of its defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted.

The calculation is performed annually by an independent actuary using the projected unit credit method. The discount rate is the yield at the reporting date on high quality corporate bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The Company recognizes all actuarial gains and losses arising from defined benefit plans in retained earnings immediately.

(v) Share-based payment transactions

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally becomes entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognized as personnel expense in profit or loss.

(k) Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates and other cash incentives paid to customers. Revenue is recognized when persuasive evidence exists, that the significant risks and rewards of ownership have been transferred to the buyer, generally on delivery and acceptance at the customers' premises, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and therefore are excluded from revenues in the statements of comprehensive income.

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LG DISPLAY CO., LTD.

Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

3. Summary of Significant Accounting Policies, Continued

(l) Operating Segments

In accordance with K-IFRS 1108, entity wide disclosures of geographic and product revenue information are provided in the condensed consolidated interim financial statements, not in these condensed interim financial statements.

(m) Finance Income and Finance Costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognized in profit or loss. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognized on financial assets, and losses on hedging instruments that are recognized in profit or loss. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.

Foreign exchange gains and losses arising from monetary assets and liabilities denominated in currencies other than functional currencies are presented separately when they are related to investing and financing activities.

(n) Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years. The taxable profit is different from the accounting profit for the period since the taxable profit is calculated excluding the temporary differences, which will be taxable or deductible in determining taxable profit (tax loss) of future periods, and non-taxable or non-deductible items from the accounting profit.

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LG DISPLAY CO., LTD.

Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

3. Summary of Significant Accounting Policies, Continued

(n) Income Tax, Continued

(ii) Deferred tax

Deferred tax is recognized, using the liability method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. However, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

The Company recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, except to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. A deferred tax asset is recognized for all deductible temporary differences to the extent that, it is probable that the differences relating to investments in subsidiaries, associates and jointly controlled entities will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

An entity offsets deferred tax assets and liabilities if, and only if, the entity has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

(o) Earnings Per Share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares, which comprise convertible bonds.

(p) New Standards and Interpretations Not Yet Adopted

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The following new standards, interpretations and amendments to existing standards have been published and are mandatory for the Company beginning on or after January 1, 2011, but the Company has not early adopted them. Management is in the process of evaluating the impact, if any, of applying these standards and interpretations on its financial position and results of operations.

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LG DISPLAY CO., LTD.

Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

3. Summary of Significant Accounting Policies, Continued

(p) New Standards and Interpretations Not Yet Adopted, Continued

(i) K-IFRS 1109 Financial Instruments

This standard introduces certain new requirements for classifying and measuring financial assets. K-IFRS 1109 divides all financial assets that are currently in the scope of K-IFRS 1039 into two classifications, those measured at amortized cost and those measured at fair value. The standard along with proposed expansion of K-IFRS 1109 for classifying and measuring financial liabilities, de-recognition of financial instruments, impairment, and hedge accounting will be applicable from the year 2013, although entities are permitted to adopt earlier. The Company is evaluating the impact that this new standard will have on the Company's financial statements.

(ii) Revised K-IFRS 1024 Related Parties Disclosures

The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. The Company will apply K-IFRS 1024 (revised) retrospectively from January 1, 2011. The Company is evaluating the impact that this new standard will have on the Company's financial statements, if any.

4. Determination of Fair Values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Current Assets and Liabilities

The carrying amounts approximate fair value because of the short maturity of these instruments.

(b) Trade Receivables and Other Receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes. The carrying amounts of short-term receivables approximate fair value.

(c) Investments in Equity and Debt Securities

The fair value of financial assets at fair value through profit or loss (FVTPL) and available-for-sale financial assets in market is determined by reference to their quoted closing bid price at the reporting date. The fair value of non-marketable securities is determined using valuation methods.

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LG DISPLAY CO., LTD.

Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

4. Determination of Fair Values, Continued

(d) Derivatives

For forward contracts, if a listed market price is not available, fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is estimated by discounting estimated future cash flows based on the terms and maturity of each contract by LIBOR and forward interest rates for the same terms at the measurement date.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Company and counterparty when appropriate.

(e) Non-derivative Financial Liabilities

The fair value of financial liabilities at FVTPL is determined by reference to their quoted closing price at the reporting date. Fair value, which is determined for disclosure purposes, except for the liabilities at FVTPL, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

(f) Share-based Payment Transactions

The fair value of the employee share appreciation rights is measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(g) Assets Acquired in a Business Combination

(i) Inventories

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(ii) Property, plant and equipment

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The fair value of property, plant and equipment recognized as a result of a business combination is based on market values.

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4. Determination of Fair Values, Continued(g) Assets Acquired in a Business Combination, Continued(iii) Intangible assets

The fair value of customer relationships acquired in a business combination is determined using the multi-period excess earnings method, whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows. The fair value of technology acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the patent or trademark being owned.

5. Inventories

Inventories as of September 30, 2010 and December 31, 2009 are as follows:

(In millions of Won)

		2010	2009
Finished goods	(Won)	739,920	385,518
Work-in-process		731,109	544,071
Raw materials		375,296	228,630
Supplies		134,110	128,086
	(Won)	1,980,435	1,286,305

For the nine-month period ended September 30, 2010, inventories recognized as cost of sales amounted to W15,995,799 million and valuation loss on inventories, which was included in cost of sales, amounted to W80,042 million.

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6. Investments

(a) Consolidated Subsidiaries as of September 30, 2010 are as follows:

(In millions of Won)

Subsidiaries	Percentage of ownership	Location	Date of incorporation	Selling or manufacturing	Carrying amount
LG Display America, Inc.	100%	California, U.S.A.	September 24, 1999	Sell TFT-LCD products	
LG Display Japan Co., Ltd.	100%	Tokyo, Japan	October 12, 1999	Sell TFT-LCD products	15,686
LG Display Germany GmbH	100%	Dusseldorf, Germany	November 5, 1999	Sell TFT-LCD products	19,373
LG Display Taiwan Co., Ltd.	100%	Taipei, Taiwan	April 12, 1999	Sell TFT-LCD products	35,230
LG Display Nanjing Co., Ltd.	100%	Nanjing, China	July 15, 2002	Manufacture and sell TFT- LCD products	459,297
LG Display Shanghai Co., Ltd.	100%	Shanghai, China	January 16, 2003	Sell TFT-LCD products	9,093
LG Display Poland Sp. zo. o.	80%	Wroclaw, Poland	September 6, 2005	Manufacture and sell TFT-LCD products	157,865
LG Display Guangzhou Co., Ltd.	90%	Guangzhou, China	June 30, 2006	sell TFT-LCD products	157,268
LG Display Shenzhen Co., Ltd.	100%	Shenzhen, China	August 28, 2007	Sell TFT-LCD products	3,467

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				products	
LG Display Singapore Pte. Ltd.				Sell TFT-LCD	
	100%	Singapore	January 12, 2009	products	1,250
L&T Display Technology (Xiamen) Limited				Manufacture	
		Xiamen,	January 5,	LCD module	
	51%	China	2010	and TV set	7,146
L&T Display Technology (Fujian) Limited				Manufacture	
				LCD module	
		Fujian,	January 5,	and LCD	
	51%	China	2010	monitor set	10,123
LG Display Yantai Co., Ltd.				Manufacture	
		Yantai	April 19,	and sell TFT-LCD	
	100%	China	2010	products	44,628

In January 2010, the Company entered into a joint venture agreement with Top Victory Investments Limited, accordingly, L&T Display Technology (Xiamen) Limited (L&T XM) and L&T Display Technology (Fujian) Limited(L&T FJ) were incorporated in Xiamen and Fujian, China, to manufacture LCD module, LCD TV set and LCD monitor set products. The Company acquired 51% equity interest in L&T XM and L&T FJ at W7,146 million and W10,123 million, respectively.

LG Display Yantai Co., Ltd. was incorporated in Yantai, China, on April 19, 2010, to manufacture and sell TFT-LCD product. As of September 30, 2010, its capital stock amounted to W44,628 million.

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6. Investments, Continued

For the purpose of expanding production capacity of TFT-LCD products, the Company additionally invested (Won)6,655 million in LG Display Guangzhou Co., Ltd. in January 2010 and invested (Won)42,198 million in LG Display Nanjing Co., Ltd. in June 2010.

In July 2010, LG Electronics (Nanjing) Plasma Co., Ltd. merged with LG Display Nanjing Co., Ltd.

(b) Investments in associates

In February 2010, the Company acquired an additional 1,000,000 common shares (5.35%) of New Optics Ltd. at (Won)2,500 million.

The Company joined the LB Gemini New Growth Fund No.16 as a member in a limited partnership and the Company paid (Won)6,480 million for the additional investment in May 2010. As of September 30, 2010, the Company acquired a 30.6% equity interest in LB Gemini New Growth Fund No.16 and the agreed total investment amount of the Company toward the fund is (Won)30,000 million.

In January 2010, the Company entered into a joint venture agreement with Formosa Epitaxy Incorporation and several investors. Accordingly, Can Yang Investments Limited is incorporated in order for the Company to secure a stable supply of LED chip solutions. The Company acquired 10,800,000 shares (15%) of the joint venture at (Won)12,433 million and has the right to assign a director to the board of directors of the joint venture.

In June 2010, the Company sold a part of its share interest in Global OLED Technology LLC for (Won)20,530 million, accordingly, the percentage of the Company's ownership was reduced from 49% to 33%.

In September 2010, the Company acquired 500,000 common shares (20%) of Yas Co., Ltd. at (Won)10,000 million in order to secure a stable supply of components for developing a deposition system of OLED.

In August 2010, the Company entered into a joint venture agreement with Everlight Electronics Co., Ltd. and several other investors. Accordingly, Eralite Optoelectronics (Jiangsu) Co., Ltd. has been incorporated in order for the Group to secure a stable supply of LED package solutions. The Company acquired a 20 percent interest of the joint venture at (Won)4,626 million (USD4 million) and has the right to assign a director to the board of directors of the joint venture.

7. Property, Plant and Equipment

For the nine-month periods ended September 30, 2010 and 2009, the Company purchased property, plant and equipment at (Won)4,158,192 million and (Won)1,911,131 million, respectively. The capitalized borrowing costs and capitalization rate are (Won)15,612 million and 3.59% for the nine-month period ended September 30, 2010, respectively. Also for the nine-month periods ended September 30, 2010 and 2009, the Company disposed of property, plant and equipment with carrying amounts of (Won)640 million and (Won)4,831 million, respectively. The Company recognized (Won)1,260 million and (Won)212 million as gain and loss on disposal of property, plant and equipment, respectively, for the nine-month period ended September 30, 2010 (gain and loss in 2009: (Won)2,443 million and (Won)132 million, respectively).

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8. Intangible Assets

The Company capitalizes the expenses related to development activities, such as expense incurred on designing, manufacturing and testing of products that are ultimately selected for production. The balances of capitalized development costs as of September 30, 2010 and December 31, 2009 are (Won)85,688 million and (Won)80,454 million, respectively.

9. Financial Liabilities

Details of loans and borrowings included in financial liabilities are presented below:

(a) Short-term borrowings as of September 30, 2010 and December 31, 2009 are as follows:

(In millions of Won, USD and JPY)

Lender	Annual interest rate(*)	2010	2009
Korea Development Bank	LIBOR+0.65~0.75%	(Won) 6,861	229,787
Shinhan Bank and others	3ML+1.1~2.8%	149,666	189,423
	6ML+0.65~0.9%	242,737	220,140
Bank of Tokyo-Mitsubishi UFJ	6ML+1.2~1.4%	136,334	63,141
Korea Exchange Bank	6ML+1.18%		34,027
Woori Bank	5.13	200,000	
Foreign currency equivalent		JPY 39,286	USD 216 JPY 38,383
		(Won) 735,598	736,518

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

The amount of current and outstanding trade accounts and notes receivable, arising from export sales to the Company's subsidiaries, sold to financial institutions is JPY503 million ((Won)6,861 million) as of September 30, 2010. The proceeds from the sale of these accounts receivable current and outstanding are recorded as short-term borrowings. For the nine-month period ended September 30, 2010, the Company has recognized (Won)548 million as interest expense in relation to the short-term borrowings resulting from the sale of accounts receivable.

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9. Financial Liabilities, Continued

(b) Local currency long-term debt as of September 30, 2010 and December 31, 2009 is as follows:

(In millions of Won)

Lender	Annual interest rate(*)	2010	2009
Shinhan Bank	3-year Korean Treasury Bond rate less 1.25%	(Won) 16,894	18,380
Korea Development Bank	KDBBIR+0.77%		7,500
	KDBBIR+3.29%		120,000
	5.43%		200,000
Woori Bank	3-year Korean Treasury Bond rate less 1.25%	3,954	3,914
Less current portion of long-term debt		(3,733)	(9,872)
		(Won) 17,115	339,922

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

(c) Foreign currency long-term debt as of September 30, 2010 and December 31, 2009 is as follows:

(In millions of Won and USD)

Lender	Annual interest rate	2010	2009
The Export-Import Bank of Korea	6ML+0.69%	(Won) 51,390	58,380
	6ML+1.78%	38,828	
Korea Development Bank	3ML+0.66%	159,880	163,464
	3ML+2.79%	109,067	
Kookmin Bank and others	3ML+0.35~0.53%	456,800	467,040
	6ML+0.41%	228,400	233,520
Sumitomo Bank Ltd.	3ML+1.80%	285,500	

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Foreign currency equivalent	USD	1,069	USD	790
	JPY	8,000		
Less current portion of long-term debt		(582,420)		(5,838)
	(Won)	747,445		916,566

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(Unaudited)

9. Financial Liabilities, Continued

(d) Details of debentures issued by the Company as of September 30, 2010 and December 31, 2009 are as follows:

(In millions of Won and USD)

	Maturity	Annual interest rate	2010	2009
Local currency debentures(*)				
	November 2012~			
Publicly issued debentures	June 2015	4.89~5.89%	(Won) 900,000	890,000
Privately issued debentures	May 2011	5.30%	200,000	200,000
Less discount on debentures			(3,078)	(2,276)
Less current portion of debentures			(200,000)	(389,665)
			(Won) 896,922	698,059
Foreign currency debentures(*)				
Floating rate note	April 2013	3ML+1.80%	(Won) 399,700	
	August 2012	3ML+2.40%	136,334	
Foreign currency equivalent			USD 350	
			JPY 10,000	
Less discount on debentures			(6,804)	
			(Won) 529,230	
Financial liabilities at fair value through profit or loss				
Convertible bonds	April 2012	Zero coupon	(Won) 84,196	699,861
Foreign currency equivalent			USD 66	USD 599

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Less current portion of convertible bonds	(699,861)
	84,196
	(Won) 1,510,348
	698,059

- (*) Principal of the local currency debentures is to be repaid at maturity and interests are paid quarterly. The Company redeemed local currency debentures with their face value amounting to (Won)390,000 million and issued new publicly issued debentures and privately issued debentures amounting to (Won)400,000 million, JPY10,000 million and USD350 million for the nine-month period ended September 30, 2010.

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(Unaudited)

9. Financial Liabilities, Continued

(e) Terms and conditions of the convertible bonds are as follows:

	Terms and Conditions
Issue date	April 18, 2007
Maturity date	April 18, 2012
Conversion period	April 19, 2008~April 3, 2012
Coupon interest rate	0%
Conversion price (in Won) per share	(Won)48,075

The Company designated foreign currency denominated convertible bonds as financial liabilities at fair value through profits or loss at transition date to K-IFRSs from its previous GAAP (generally accepted accounting principles) and recognizes the convertible bonds at fair value with changes in fair value recognized in profit or loss.

The bonds will be repaid at 116.77% of the principal amount at maturity unless the bonds are converted. During the nine-month period ended September 30, 2010, put options attached to the convertible bonds amounting to USD 484 million were exercised and the Company repaid USD 531 million for the convertible bonds at 109.75% of the principal amount. Put options not exercised were expired.

The Company measured them at their fair value using the market quotes available at Bloomberg and it was assumed that the remaining convertible bonds will be repaid in full at maturity and they were reclassified as non-current liabilities.

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

Based on the terms and conditions of the bond, the conversion price was decreased from (Won)48,251 to (Won)48,075 per share due to the Company's declaration of cash dividends of (Won)500 per share for the year ended December 31, 2009.

As of September 30, 2010 and December 31, 2009, the number of common shares to be issued if the outstanding convertible bonds are fully converted is as follows:

(In Won and share)

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	2010	2009
Convertible bonds amount (*)	(Won) 61,617,600,000	513,480,000,000
Conversion price	(Won) 48,075	48,251
Common shares to be issued	1,281,697	10,641,851

(*) The exchange rate for the conversion is fixed at (Won)933.6 to USD1. The face value of the convertible bonds amounted to USD66 million and USD550 million as of September 30, 2010 and December 31, 2009, respectively.

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9. Financial Liabilities, Continued

(f) Aggregate maturities of the Company's financial liabilities as of September 30, 2010 are as follows:

(In millions of Won)

Period	Local currency long-term loans	Foreign currency long-term loans	Local currency debentures	Foreign currency debentures	Total
Within 1 year	(Won) 3,733	582,420	200,000		786,153
1~5 year	15,723	747,445	1,426,152	84,196	2,273,516
Thereafter	1,392				1,392
	(Won) 20,848	1,329,865	1,626,152	84,196	3,061,061

10. Risk Management

(a) Financial Risk Management

The Company is exposed to credit risk, liquidity risk and market risks. The Company identifies, analyzes such risks, and controls are implemented under a risk management system to monitor and manage these risks at below a threshold level.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk of trade and other receivables is influenced mainly by the individual characteristics of each customer. However, management considers the demographics of the Company's customer base, including the default risk of the country in which customers operate, do not have a significant influence on credit risk since majority of the customers are global electronic appliance manufacturers operating in global markets.

The Company establishes credit limits for each customer and each new customer is analysed quantitatively and qualitatively before determining whether to utilize third party guarantees, insurance or factoring as appropriate.

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The Company does not establish allowances for receivables under insurance and receivables from customers with a higher credit rating than the Company. The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The Company establishes an allowance for impairment of trade and other receivables that have been individually or collectively evaluated for impairment and estimated on the basis of historical loss experience for assets.

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10. Risk Management, Continued

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has historically been able to satisfy its cash requirements from cash flow from operations and debt and equity financing. To the extent that the Company does not generate sufficient cash flow from operations to meet its capital requirements, the Company may rely on other financing activities, such as external long-term borrowings and offerings of debt securities, equity-linked and other debt securities. In addition, the Company maintains a line of credit with various banks.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks.

Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of the Company, Korean Won (KRW). The currencies in which these transactions primarily are denominated are USD, EUR and JPY.

The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Interest on borrowings is denominated in the currency of the borrowing. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Company, primarily KRW and USD.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances. In relation to the currency fluctuation, the Company adopts policies to adjust factoring volumes of foreign currency denominated receivables or utilizing usance as a mean to settle payables for the facilities.

The fair value of forward exchange contracts used as economic hedges of monetary assets and liabilities in foreign currencies as of September 30, 2010 and December 31, 2009 are as follows:

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(In millions of Won)

	2010	2009
Net fair value		
Financial assets (liabilities)	(Won) 7,019	2,674

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10. Risk Management, ContinuedInterest rate risk

Interest rate risk arises principally from the Company's debentures and borrowings. The Company used to hedge the interest rate risk by entering interest swap contracts. The Company does not have any interest swap contract as of September 30, 2010. The fair value of interest rate swap as of December 31, 2009 is as follows:

(In millions of Won)

	2009
Loss on valuation of interest rate swap	(Won) 3,699
Financial liabilities	3,699

(iv) Fair values

The fair values of financial assets and liabilities, together with the carrying amounts as of September 30, 2010 and December 31, 2009 are as follows:

(In millions of Won)

	2010		2009	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets carried at fair value				
Available-for-sale financial assets	(Won) 35,811	35,811	104,389	104,389
Financial assets designated at fair value through profit or loss	8,501	8,501	9,227	9,227
Interest rate swaps			63	63
Other forward exchange contracts	7,019	7,019	2,674	2,674
	(Won) 51,331	51,331	116,353	116,353
Assets carried at amortized cost				
Cash and cash equivalents	(Won) 1,119,739	1,119,739	704,324	704,324
Trade accounts and notes receivable and other accounts receivable	4,036,651	4,036,651	3,381,928	3,381,928
Deposits in banks	1,901,500	1,901,500	2,500,000	2,500,000
Others	13,246	13,246	14,816	14,816
	(Won) 7,071,136	7,071,136	6,601,068	6,601,068

Liabilities carried at fair value

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Financial liabilities designated at fair value through profit or loss	(Won)	84,196	84,196	699,861	699,861
Interest rate swaps				3,762	3,762
	(Won)	84,196	84,196	703,623	703,623
Liabilities carried at amortized cost					
Secured bank loans	(Won)	38,828	38,828		
Unsecured bank loans		2,047,483	2,047,483	2,008,716	2,011,540
Unsecured bond issues		1,626,152	1,665,520	1,087,724	1,101,201
Trade accounts and notes payable and other accounts payable		5,763,633	5,763,633	3,407,720	3,407,720
	(Won)	9,476,096	9,515,464	6,504,160	6,520,461

The basis for determining fair values is disclosed in note 4.

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10. Risk Management, ContinuedInterest rates used for determining fair value

The significant interest rates applied for determination of the above fair value as of September 30, 2010 and December 31, 2009 are as follows:

	2010	2009
Derivatives	3.07%	3.78%
Loans and borrowings	3.21%	3.75%

Fair value hierarchy

The table below analyzes financial instruments carried at fair value, by valuation method. 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 (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(In millions of Won)

	Level 1	Level 2	Level 3	Total
September 30, 2010				
Available-for-sale financial assets	(Won) 9,466		26,345	35,811
Financial assets designated at fair value through profit or loss	8,501			8,501
Derivative financial assets		7,019		7,019
	(Won) 17,967	7,019	26,345	51,331
Financial liabilities designated at fair value through profit or loss	(Won) (84,196)			(84,196)
	(Won) (84,196)			(84,196)

(In millions of Won)

Level 1	Level 2	Level 3	Total
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December 31, 2009

Available-for-sale financial assets	(Won)	12,995		91,394	104,389
Financial assets designated at fair value through profit or loss				9,227	9,227
Derivative financial assets			2,737		2,737
	(Won)	12,995	2,737	100,621	116,353
Derivative financial liabilities	(Won)		(3,762)		(3,762)
Financial liabilities designated at fair value through profit or loss		(699,861)			(699,861)
	(Won)	(699,861)	(3,762)		(703,623)

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10. Risk Management, Continued

The derivative financial assets and liabilities are classified as Level 2 since all significant inputs to compute the fair value of the over-the-counter derivatives were observable.

In order to determine the fair value of Level 3 instruments, management used a valuation technique in which all significant inputs were based on unobservable market data. The fair values of the Level 3 instruments have been computed using a binomial tree model considering the financial conditions of the investees and by discounting estimated cash flows from stock using a yield rate that reflects investees' credit risks.

(b) Capital Management

The management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management also monitors the level of dividends to ordinary shareholders.

(In millions of Won)

	2010	2009
Total liabilities	(Won) 11,881,660	9,222,669
Total assets	11,149,441	10,034,198
Cash and deposits in banks	3,021,239	3,204,324
Borrowings	3,796,659	3,796,301
Debt to equity ratio	107%	92%
Net borrowing to equity ratio	7.0%	5.9%

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11. The Nature of Expenses and Others

The nature of expenses for the nine-month periods ended September 30, 2010 and 2009 is as follows:

(In millions of Won)

	2010	(Unreviewed) 2009
Changes in inventories	(Won) (694,130)	(499,675)
Purchase of raw material and merchandise	10,684,050	9,393,052
Depreciation	1,955,896	1,901,898
Outsourcing fee	2,055,075	561,715
Labor cost	1,068,881	778,382
Supplies and others	702,268	531,934
Utility expense	316,855	248,162
Fees and commissions	236,137	191,236
Shipping costs	174,927	154,741
SVC expenses	168,169	40,352
Others	607,111	343,138
	(Won) 17,275,239	13,644,935

Total expenses consist of cost of sales, selling, administrative, research and development expenses and others (except exchange differences).

For the nine-month period ended September 30, 2010, other income and other expenses contained exchange differences amounting to (Won)702,698 million and (Won)795,725 million, respectively (nine-month period ended September 30, 2009 : (Won)1,052,370 million and (Won)885,289 million, respectively).

12. Selling and Administrative Expenses

Details of selling and administrative expenses for the nine-month periods ended September 30, 2010 and 2009 are as follows:

(In millions of Won)

	2010	(Unreviewed) 2009
Salaries	(Won) 100,957	72,938
Severance benefits	11,115	5,925
Other employee benefit	19,539	14,143
Shipping costs	115,097	106,980
Fees and commissions	66,897	25,802

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Depreciation	93,759	18,101
Taxes and dues	1,884	1,730
Advertising	58,794	38,836
Sales promotion	2,381	8,474
SVC expenses	156,909	47,496
Others	112,226	75,285
	(Won) 739,558	415,710

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13. Employee Benefits

The Company maintains a defined benefit plan that provides a lump-sum payment to an employee based on final salary rates and length of service at the time the employee leaves the Company. Current severance pay scheme, if legal requirements are satisfied, allows interim settlement upon election. Subsequent to the interim settlement, service term used for severance payment calculation is remeasured from the settlement date.

- (a) Recognized liabilities for defined benefit obligations as of September 30, 2010 and December 31, 2009 are as follows:

<i>(In millions of Won)</i>	2010	2009
Present value of partially funded defined benefit obligations	(Won) 368,655	260,029
Fair value of plan assets	(250,147)	(175,869)
	(Won) 118,508	84,160

- (b) Expenses recognized in profit or loss for the nine-month periods ended September 30, 2010 and 2009 are as follows:

<i>(In millions of Won)</i>	2010	(Unreviewed) 2009
Current service cost	(Won) 65,818	47,348
Interest cost	11,033	11,048
Expected return on plan assets	(9,709)	(3,683)
Past service costs	12,778	
	(Won) 79,920	54,713

- (c) Plan asset as of September 30, 2010 and December 31, 2009 is as follows:

<i>(In millions of Won)</i>	2010	2009
Deposits with financial institutions	(Won) 250,147	175,869

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(d) Cumulative amount of actuarial gain and loss recognized in other comprehensive income is as follows:

<i>(In millions of Won)</i>	2010	2009
Cumulative amount of actuarial gain and loss	(Won) (26,450)	1,292
Income tax effect	5,490	
Cumulative amount of actuarial gain and loss, net of income tax	(Won) (20,960)	1,292

(e) Principal actuarial assumptions at September 30, 2010 and December 31, 2009 are as follows:

	2010	2009
Expected rate of salary increase	7.00%	7.00%
Discount rate for defined benefit obligations	4.70%	5.90%
Long-term rate of return on assets	6.70%	6.70%
Mortality rates	0.49%	0.49%

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The overall expected long-term rate of return on assets is 6.70%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories.

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14. Commitments

Factoring and securitization of accounts receivable

The Company has agreements with Korea Exchange Bank and several other banks for accounts receivable sales negotiating facilities of up to an aggregate of USD1,549 million in connection with its export sales transactions. As of September 30, 2010, accounts and notes receivable amounting to JPY503 million ((Won)6,861 million) were sold but are not past due.

In October 2006, LG Display America, Inc., LG Display Germany GmbH, LG Display Shanghai Co., Ltd. and others entered into a five-year accounts receivable selling program with Standard Chartered Bank on a revolving basis, of up to USD600 million. The Company joined this program in April 2007. For the nine-month period ended September 30, 2010, no accounts and notes receivable were sold under this program.

The Company has a credit facility agreement with Shinhan Bank pursuant to which the Company could negotiate its accounts receivables with Shinhan Bank up to an aggregate of (Won)50,000 million in connection with its domestic sales transactions. Since August 2010, the Company has entered into an accounts receivable selling program of up to USD100 million with Citibank, N.A. As of September 30, 2010, accounts and notes receivable amounting to USD100 million are current and outstanding in connection with the accounts and notes receivable sold by the Company.

Letters of credit

As of September 30, 2010, the Company has agreements with Korea Exchange Bank in relation to the opening of letters of credit up to USD170 million, USD20 million with China Construction Bank, USD150 million with Shinhan Bank, JPY11,000 million with Woori Bank, USD80 million with Bank of China, USD130 million with Hana Bank and JPY30,026 million with Sumitomo Mitsui Banking Corporation.

Payment guarantees

The Company receives a payment guarantee amounting to USD8.5 million from ABN AMRO Bank relating to value added tax payments in Poland. As of September 30, 2010, the Company is providing a payment guarantee to a syndicate of banks including Kookmin Bank and Societe Generale in connection with a EUR54 million term loan credit facility of LG Display Poland Sp. zo. o. LG Display Poland Sp. zo. o. is provided with a payment guarantee amounting to PLN210 million by Nordea Bank and others relating to the Simplified Procedure (deferral of VAT payment), and the Company provides payment guarantee to Nordea Bank and others in connection with their payment guarantee. In addition, the Company provides payment guarantees in connection with LG Display Singapore Ltd. s and others term loan credit facilities with aggregate amount of USD17 million for principals and related interests.

License agreements

As of September 30, 2010, 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 January 2009 and April 2010, the Company entered into a long-term supply agreement with Apple, Inc. to supply LCD panels for five years, respectively. In connection with the agreement, the Company received a long-term advance of USD580 million from Apple, Inc., which will offset against outstanding accounts receivable balance after a given period of time, as well as those arising from the supply of products

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thereafter. The Company receives payment guarantee amounting to USD100 million from Industrial Bank of Korea relating to a long-term advance received from Apple, Inc.

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14. Commitments, Continued

Pledged Assets

The Company pledged a part of its OLED machinery to the Export-Import Bank of Korea regarding the loan of credit up to USD50 million.

15. Contingencies

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

On December 1, 2006, the Company filed a complaint in the United States District Court for the District of Delaware against Chi Mei Optoelectronics Corp. and AU Optronics Corp. claiming infringement of patents related to liquid crystal displays and the manufacturing processes for TFT-LCDs. On March 8, 2007, AU Optronics Corp. filed a counter-claim against the Company in the United States District Court for the Western District of Wisconsin for alleged infringement of patents related to the manufacturing processes for TFT-LCDs but the suit was transferred to the United States District Court for the District of Delaware on May 30, 2007. On May 4, 2007, Chi Mei Optoelectronics Corp. filed a counter-claim against the Company for patent infringement in the United States District Court for the Eastern District of Texas, but the suit was transferred to the United States District Court for the District of Delaware (the Court) on March 31, 2008.

The Court bifurcated the trial between AU Optronics Corp. and Chi Mei Optoelectronics Corp. holding the first trial against AU Optronics Corp. on June 2, 2009. Although the Company had a total of nine patents to be tried and AU Optronics Corp. had a total of seven patents to be tried in the first trial against AU Optronics Corp., the trial was further bifurcated so that only four patents from each side were tried. On February 16, 2010, the Court found that the four AU Optronics Corp. patents were valid and were infringed by the Company, and on April 30, 2010, the Court further found that the Company's four patents were valid but were not infringed by AU Optronics Corp. However, the final judgment has not yet been rendered. Once all findings by the Court have been issued, the Company will review all available options including appeal. The Company is unable to predict the ultimate outcome of the above matters.

Anvik Corporation's lawsuit for infringement of patent

On February 2, 2007, Anvik Corporation filed a patent infringement case against the Company, along with other LCD manufacturing companies in the United States District Court for the Southern District of New York, in connection with the usage of photo-masking equipment manufactured by Nikon Corporation. While there is no significant progress on this case in 2010, the Company is unable to predict the ultimate outcome of this case.

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15. Contingencies, Continued

Anti-trust investigations and litigations

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

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

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

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

Subsequent to the commencement of the DOJ investigation, a number of class action complaints were filed against the Company and other TFT-LCD panel manufacturers in the U.S. and Canada alleging violation of respective antitrust laws and related laws. The class action lawsuits in the U.S. were transferred to the Northern District of California for pretrial proceedings (MDL Proceedings). On March 28, 2010, the court certified the class for some of the class action complaints filed by direct purchasers while the other class certifications were rejected. In addition, the class action complaints filed by indirect purchasers were certified.

Additionally in 2009, separate claims were filed by AT&T Corp., Motorola, Inc., Best Buy Co., Inc. and their respective related entities, all of which have been transferred to the MDL Proceedings. In addition, several state governments including the state of New York filed claims against the Company and other LCD panel manufacturing companies.

In February 2007, regarding the anti-competitive practices in LCD panel pricing, the Company and certain of its current and former officers and directors were named as defendants in two purported class action complaints filed in the U.S. District Court for the Southern District of New York by the shareholders of the Company, alleging that the Company and certain of its officers and directors violated the U.S. Securities Exchange Act of 1934. In May 2010, the Company settled the class action complaints, subject to the Court's approval.

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

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16. Capital and Reserves

(a) Share capital

The Company is authorized to issue 500,000,000 shares of capital stock (par value (Won)5,000), and as of September 30, 2010 and December 31, 2009, the number of issued common shares is 357,815,700. There have been no changes in the capital stock for the nine-month period ended September 30, 2010.

(b) Reserves

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

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.

(c) Dividends

The Company declared its dividend in March 2010 and paid dividends of (Won)178,908 million ((Won)500 per share) in April 2010. There are no income tax consequences.

17. Related Parties

(a) Key management personnel compensation

Compensation costs of key management for the nine-month periods ended September 30, 2010 and 2009 are as follows:

(In millions of Won)

	2010	(Unreviewed) 2009
Short-term benefits	(Won) 1,709	1,411

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Severance benefits	298	213
Other long-term benefits	454	376
	(Won) 2,461	2,000

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

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17. Related Parties, Continued

(b) Significant transactions with related parties

Significant transactions which occurred in the normal course of business with related parties for the nine-month periods ended September 30, 2010 and 2009 are as follows:

<i>(In millions of Won)</i>	Sales and others		Purchases and others	
	2010	(Unreviewed) 2009	2010	(Unreviewed) 2009
Subsidiaries	(Won) 16,357,464	12,234,835	2,304,283	563,859
Joint ventures	887,203	656,316	27,605	
Associates	6	10	1,171,554	1,027,958
LG Electronics	863,638	558,425	301,493	145,460
Other related parties	174,511	348,528	299,631	585,844
	(Won) 18,282,822	13,798,114	4,104,566	2,323,121

Account balances with related parties as of September 30, 2010 and December 31, 2009 are as follows:

<i>(In millions of Won)</i>	Trade accounts and notes receivable and others		Trade accounts and notes payable and others	
	2010	2009	2010	2009
Subsidiaries	(Won) 3,359,970	2,713,663	688,391	108,156
Joint ventures	255,473	109,572	308,741	297,717
Associates		3	275,222	164,268
LG Electronics	129,457	101,543	141,705	51,738
Other related parties		76,305	1,666	102,093
	(Won) 3,744,900	3,001,086	1,415,725	723,972

18. Share-Based Payment

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(a) The terms and conditions of share-based payment arrangement as of September 30, 2010 are as follows:

	Descriptions
Settlement method	Cash settlement
Type of arrangement	Stock appreciation rights (granted to senior executives)
Date of grant	April 7, 2005
Weighted-average exercise price (*1)	(Won)44,050
Number of rights granted	450,000
Number of rights forfeited (*2)	230,000
Number of rights cancelled (*3)	110,000
Number of rights outstanding	110,000
Exercise period	From April 8, 2008 to April 7, 2012
Remaining contractual life	1.5 years
Vesting conditions	Two years of service from the date of grant

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18. Share-Based Payment, Continued

- (*1) The exercise price at the grant date was (Won)44,260 per stock appreciation right (SARs). However, the exercise price was subsequently adjusted to (Won)44,050 due to additional issuance of common shares in 2005.
- (*2) SARs were forfeited in connection with senior executives who left the Company before meeting the vesting requirement.
- (*3) If the appreciation of the Company's share price is equal or less than that of the Korea Composite Stock Price Index (KOSPI) over the three-year period following the grant date, only 50% of the outstanding SARs are exercisable. As the actual increase rate of the Company's share price for the three-year period ending April 7, 2008 was less than that of the KOSPI for the same three-year period, 50% of then outstanding SARs were cancelled in 2008.

(b) The changes in the number of SARs outstanding for the nine-month period ended September 30, 2010 are as follows:

<i>(Number of shares)</i>	2010
Balance at beginning of year	110,000
Forfeited or cancelled	
Outstanding as of September 30, 2010	110,000
Exercisable as of September 30, 2010	110,000

(c) The fair value of SARs was estimated using the Black-Scholes option-pricing model with the following assumptions:

	September 30, 2010	December 31, 2009
Risk free rate (*1)	2.84%	3.48%
Expected term (*2)	1.0 year	1.1 year
Expected volatility	51.11%	55.57%
Expected dividends (*3)	0%	0%
Fair value per share	(Won) 4,567	(Won) 2,865
Total carrying amount of liabilities (*4)	(Won) 502,330,660	(Won) 315,126,395

- (*1) Risk-free rates are interest rates of Korean government bonds.
- (*2) As of September 30, 2010, the remaining contractual life is 18 months and the expected term is determined as 1 year.
- (*3) The Company did not pay any dividends from 2000 through 2006 and accordingly, expected dividend used is 0% despite recent dividend yields of 1.6%, 2.3% and 1.3% in 2007, 2008 and 2009, respectively.
- (*4) As of September 30, 2010, the market price of the stock does not exceed the exercise price and accordingly, the intrinsic value of the share-based payments is zero.

- (d) The Company recognized stock compensation cost of (Won)187 million as administrative expenses for the nine-month period ended September 30, 2010.

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19. Income Tax Expense

(a) Details of Income tax expense for the nine-month periods ended September 30, 2010 and 2009 are as follows:

<i>(In millions of Won)</i>	2010	(Unreviewed) 2009
Current tax expense	(Won) 262,768	131,881
Deferred tax benefit	(45,629)	(80,634)
Income tax expense	(Won) 217,139	51,247

(b) Deferred tax assets and liabilities as of September 30, 2010 and December 31, 2009 are attributable to the following:

<i>(In millions of Won)</i>	Assets		Liabilities		Total	
	2010	2009	2010	2009	2010	2009
Other accounts receivable, net	(Won)		(7,320)	(11,512)	(7,320)	(11,512)
Inventories, net	18,565	18,165			18,565	18,165
Available-for-sale financial assets	2,225	4,897	(4,834)	(4,488)	(2,609)	409
Employee benefits	11,815	5,053			11,815	5,053
Investments				(6,446)		(6,446)
Derivative instruments			(1,699)	(647)	(1,699)	(647)
Accrued expense	90,975	56,758			90,975	56,758
Property, plant and equipment	47,796	54,690			47,796	54,690
Intangible assets			(4,868)	(19,470)	(4,868)	(19,470)
Provisions	20,393	16,806			20,393	16,806
Gain or loss on foreign currency translation	118,233	64,588	(78,188)	(57,174)	40,045	7,414
Debtures, net of current portion and discounts on debtures	5,019	45,874			5,019	45,874
Others	15,282	15,307			15,282	15,307
Tax credit carryforwards	656,136	664,172			656,136	664,172
Deferred income tax assets (liabilities)	(Won) 986,439	946,310	(96,909)	(99,737)	889,530	846,573

Statutory tax rate applicable to the Company is 24.2% for the nine-month period ended September 30, 2010. In accordance with the revised Corporate Income Tax Law, statutory tax rate applicable to the Company is 24.2% until 2011 and 22% thereafter.

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20. Earnings Per Share

(a) Basic earnings (loss) per share for the three-month and nine-month periods ended September 30, 2010 and 2009 are as follows:

<i>(In millions of Won, except earnings per share and share information)</i>	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	(Unreviewed)		(Unreviewed)	
	2010	2009	2010	2009
Profit (loss) for the period	(Won) 175,284	670,520	1,305,635	662,199
Weighted-average number of common shares outstanding	357,815,700	357,815,700	357,815,700	357,815,700
Earnings per share	(Won) 490	1,874	3,649	1,851

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

(b) Diluted earnings per share for the three-month and nine-month periods ended September 30, 2010 and 2009 are as follows:

<i>(In millions of Won, except earnings per share and share information)</i>	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	(Unreviewed)		(Unreviewed)	
	2010	2009	2010	2009
Profit (loss) for the period	(Won) 175,284	670,520	1,305,635	662,199
Interest on convertible bond, net of tax	(3,564)	(20,902)	(18,452)	50,291
Adjusted income	171,720	649,618	1,287,183	712,490
Weighted-average number of common shares outstanding and common equivalent shares(*1)	359,097,397	368,457,551	361,748,429	368,457,551
Diluted earnings per share(*2)	(Won) 478	1,763	3,558	

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Notes to the Condensed Interim Financial Statements

September 30, 2010

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20. Earnings Per Share, Continued

(*1) Weighted-average number of common shares outstanding for the three-month and nine-month periods ended September 30, 2010 and 2009 is calculated as follows:

<i>(In shares)</i>	For the three-month periods ended September 30, (Unreviewed)		For the nine-month periods ended September 30, (Unreviewed)	
	2010	2009	2010	2009
Weighted-average number of common shares (basic)	357,815,700	357,815,700	357,815,700	357,815,700
Effect of conversion of convertible bonds	1,281,697	10,641,851	3,932,729	10,641,851
Weighted-average number of common shares (diluted) at September 30, 2010 and 2009	359,097,397	368,457,551	361,748,429	368,457,551

(*2) For the nine-month period ended September 30, 2009, there is no dilution effect.

(c) The number of dilutive potential ordinary shares outstanding for the three-month and nine-month periods ended September 30, 2010 and 2009 is calculated as follows:

(i) 2010

(In shares)

	For the three-month periods ended September 30	For the nine-month periods ended September 30	
	Convertible bonds	Convertible bonds	Convertible bonds
Common shares to be issued	1,281,697	1,281,697	9,399,113
Period	July 1, 2010~	January 1, 2010~	January 1, 2010~
Weight	September 30, 2010 92 days / 92 days	September 30, 2010 273 days / 273 days	March 19, 2010 77 days / 273 days

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Weighted-average number of common shares to be issued	1,281,697	1,281,697	2,651,032
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(ii) 2009 (Unreviewed)

(In shares)

	For the three-month periods ended September 30	For the nine-month periods ended September 30
	Convertible bonds	Convertible bonds
Common shares to be issued	10,641,851	10,641,851
Period	July 1, 2009~September 30, 2009	January 1, 2009~September 30, 2009
Weight	92 days / 92 days	273 days / 273 days
Weighted-average number of common shares to be issued	10,641,851	10,641,851

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21. Business Combination

The Company acquired LCD module business from LG Innotek Co., Ltd. (LG Innotek) in order to improve LCD competitiveness of the LCD module business and the operational efficiency by implementing simplified supply chain on May 1, 2010. Regarding the business acquisition, the Company acquired assets (other than land and buildings), liabilities, employment relationship and all of the rights and obligations related to LCD module business located in Gumi. In addition, LG Display Yantai Co., Ltd., the Company's subsidiary in China, also acquired assets on LCD module and Cell business from LG Innotek Yantai Co., Ltd. which is LG Innotek's subsidiary in China. The Company measured the identifiable assets acquired and the liabilities assumed at their acquisition-date fair value and paid cash for the consideration transferred.

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

<i>(In millions of Won)</i>	Gumi
Consideration transferred	(Won) 72,472
Identifiable assets acquired and the liabilities assumed	
Inventories	18,110
Property, plant and equipment	3,226
Intangible assets(*1)	36,972
Long-term prepaid expenses	392
Accrued expenses	(821)
Identifiable net asset	57,879
Goodwill(*2)	(Won) 14,593

(*1) Intangible assets in Gumi include customer relationships and technology acquired in the business combination.

(*2) Goodwill amounting to (Won)14,593 million arose from the efficiency of LCD business and the synergy effect between the existing subsidiaries.

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22. Explanation of Transition to K-IFRSs

As stated in note 2, these are the Company's condensed interim financial statements prepared for the part of the period covered by the first K-IFRS annual financial statements in accordance with K-IFRS 1101, *First-time adoption of Korea International Financial Reporting Standards*.

The accounting policies in note 3 have been applied in preparing the condensed interim financial statements for the nine-month period ended September 30, 2010, the comparative information for the year ended December 31, 2009, for the nine-month ended September 30, 2009 and the preparation of an opening K-IFRS balance sheet as of 1 January 2009.

In preparing its opening K-IFRS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Korean Generally Accepted Accounting Principles (K-GAAP). An explanation of how the transition from previous GAAP to K-IFRSs has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

- (a) Differences between accounting under K-IFRSs and under K-GAAP expected to have a material effect on the Company

Area	Previous K-GAAP	K-IFRS
Trade accounts and notes receivable	In accordance with K-GAAP Interpretation 52-14, trade accounts and notes receivable are derecognized when the right and obligation are transferred.	In accordance with K-IFRS 1039, the Company derecognizes a financial asset and evaluates the extent of the derecognition based on the risk, rewards and its continuing involvement of ownership.
Convertible bonds	In accordance with Statements of Korean Accounting Standards (SKAS) No. 9 the Company recognizes liability at fair value measured by the present value of the expected future cash flows and amortizes the difference between the fair value and proceeds received at the issue date using the effective interest method. The Company recognizes conversion right on debentures in equity and does not revalue. In addition, foreign currency convertible bond is considered a non-monetary item.	In accordance with K-IFRS 1039, the convertible bonds are designated as financial liabilities at fair value through profit or loss (FVTPL) and recognized at fair value with changes in fair value recognized in profit or loss.

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Employee benefits	In accordance with Statements of Korean Financial Accounting Standards (SKFAS) Article 27, The Company recognizes retirement and severance liability expected to be payable if all employees, who have been with the Company for more than one year, leaves at the end of the reporting period.	In accordance with K-IFRS 1019, the Company recognizes defined benefit obligations at present value of the expected future benefit cost using unbiased and mutually compatible actuarial assumptions about demographic variables and financial variables. Under the Company's accounting policy, all actuarial gains or losses are recognized in equity.
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22. Explanation of Transition to K-IFRSs, Continued

Area	Previous K-GAAP	K-IFRS
Share-based payment	In accordance with SKAS No. 22, liability relating to fully vested share-based payment to be settled in cash is remeasured at the intrinsic value at each reporting date and at the date of settlement and the Company recognizes the changes in the intrinsic value as compensation expenses.	In accordance with K-IFRS 1102, the Company recognizes the liability relating to fully vested share-based payment to be settled in cash at fair value at each reporting date with changes in fair value recognized in profit or loss. In accordance with K-IFRS 1039, the Company may designate available-for-sale securities as FVTPL at inception and recognize the changes in fair value in profit or loss.
Available-for-sale securities	In accordance with SKAS No. 8, the Company recognizes available-for-sale securities at fair value with changes in fair value recognized in accumulated other comprehensive income.	In accordance with K-IFRS 1039, the Company recognizes available-for-sale debt securities at fair value with effect of changes in exchange rate recognized in profit or loss, the remaining differences between acquisition cost and fair value recognized in accumulated other comprehensive income.
Derivatives	In accordance with K-GAAP Interpretation 53-70, the Company applies cash flow hedge accounting for	In accordance with K-IFRS 1032, dividends are recognized when the rights to receive payment is established. Convertible preferred stock is regarded as debt security. In K-IFRS 1039, criteria to apply cash flow hedge accounting is more detailed than current K-GAAP and

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	derivatives only if certain conditions are met.	therefore, the Company does not apply cash flow hedge accounting since a condition of the detailed criteria is not met.
Investments in associates and subsidiaries	In accordance with SKAS No. 15, investments in associates and subsidiaries are accounted for using the equity method of accounting when the Company has significant influence.	In accordance with K-IFRS 1101, the Company opted to recognize investments in associates and subsidiaries at acquisition cost.
Capitalization of development cost	In accordance with SKAS No. 3, an internally generated intangible asset is recognized only if it is highly probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably	In accordance with K-IFRS 1038, an internally generated intangible asset is recognized if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

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LG DISPLAY CO., LTD.

Notes to the Condensed Interim Financial Statements

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(Unaudited)

22. Explanation of Transition to K-IFRSs, Continued

Area	Previous K-GAAP	K-IFRS
Deferred taxes	In accordance with SKAS No. 16, recognition of deferred tax assets and liabilities is based on assessment of temporary differences regardless of how each temporary difference is reversed. Deferred taxes are classified as current or non-current based on classification of related item in the financial statements. Classification of current and non-current for items not related to balance sheet items are determined based on estimated reversal.	In accordance with K-IFRS 1012, deferred tax assets and liabilities are recognized based on assessment of temporary differences that considers how each temporary difference is reversed. Deferred tax assets and liabilities are classified as non-current.
Long-term payables	In accordance with SKFAS Article 66, long-term payables of LGDUS are discounted using the Company's weighted average borrowing rate.	In accordance with K-IFRS 1039, long-term payables of LGDUS are discounted using risk free rate.
Borrowing costs	In accordance with SKAS No. 7, borrowing costs are capitalized regardless of time required to get an asset ready for its intended use.	In accordance with K-IFRS 1023, borrowing costs that take a substantial period of time required to get an asset ready for its intended use is capitalized.

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Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

22. Explanation of Transition to K-IFRSs, Continued

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

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

(In millions of Won)

	Total assets	Total liabilities	Total equity
K-GAAP	(Won) 16,501,987	7,225,965	9,276,022
Adjustment for:			
Trade accounts and note payable(*1)	601,068	601,068	
Convertible bonds (*2)		134,568	(134,568)
Employee benefits (*3)		5,170	(5,170)
Share-based payments (*4)		114	(114)
Long-term payables (*5)		56,661	(56,661)
Change in capital adjustment arising from equity method investments(*6)	46,513		46,513
Deferred tax asset (*7)	31,825		31,825
Total adjustment	679,406	797,581	(118,175)
K-IFRS	(Won) 17,181,393	8,023,546	9,157,847

(*1) Adjustment on trade accounts and notes receivable which do not qualify for derecognition of financial assets

(*2) Designation of convertible bonds as financial liability at fair value through profit or loss under K-IFRS

(*3) Assessment of employee benefits using actuarial assumptions under K-IFRS

(*4) Measurement of share-based payment using fair value under K-IFRS

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

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

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

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Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

22. Explanation of Transition to K-IFRSs, Continued

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

(In millions of Won)

	Total assets	Total liabilities	Total equity
K-GAAP	(Won) 18,885,163	8,759,879	10,125,284
Adjustment for:			
Trade accounts and note payable(*1)	229,787	229,787	
Convertible bonds (*2)		170,316	(170,316)
Employee benefits (*3)		25,322	(25,322)
Share-based payments (*4)		315	(315)
Long-term payables (*5)		60,116	(60,116)
Equity-method investments (*6)	18,004	(23,066)	41,070
Capitalized borrowing costs (*7)	(1,666)		(1,666)
Development cost (*8)	80,454		80,454
Change in capital adjustment arising from equity method investments (*9)	39,453		39,453
Deferred tax asset (*10)	5,672		5,672
Total adjustment	371,704	462,790	(91,086)
K-IFRS	(Won) 19,256,867	9,222,669	10,034,198

(*1) Adjustment on trade accounts and notes receivable which do not qualify for derecognition of financial assets

(*2) Designation of convertible bonds as financial liability at fair value through profit or loss under K-IFRS

(*3) Assessment of employee benefits using actuarial assumptions under K-IFRS

(*4) Measurement of share-based payment using fair value under K-IFRS

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

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

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

(*8) Capitalization of development costs meeting capitalization criteria under K-IFRS

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

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

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

Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

22. Explanation of Transition to K-IFRSs, Continued

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

(In millions of Won)

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

- (*1) Designation of convertible bonds as financial liability at fair value through profit or loss under K-IFRS
(*2) Assessment of employee benefits using actuarial assumptions under K-IFRS
(*3) Measurement of share-based payment using fair value under K-IFRS
(*4) Gains/losses on foreign currency translation and interest income on convertible preferred stocks
(*5) Derivatives previously accounted for as cash flow hedge were derecognized as held-for-trading derivative asset
(*6) Difference in discount rate applied to present value calculation of long-term payables
(*7) Fair value recognition of investment assets designated as financial asset at fair value through profit

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- (*8) Investments in subsidiaries and associates previously treated under the equity method, which is recorded at the book value of January 1, 2009 under K-IFRS
- (*9) Difference in capitalization of borrowing costs that takes a substantial period of time to get ready for its intended use
- (*10) Capitalization of development costs meeting capitalization criteria under K-IFRS
- (*11) Difference in deferred taxes on change in capital adjustment arising from equity method investments
- (*12) Deferred tax adjustments on differences in accounting balances under K-IFRS and current K-GAAP

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

Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

22. Explanation of Transition to K-IFRSs, Continued

(iv) The effects of the adoption of K-IFRSs on the Company's financial position as of September 30, 2009 are as follows:

(In millions of Won)

	Total assets	Total liabilities	Total equity
K-GAAP	(Won) 17,932,246	8,271,517	9,660,729
Adjustment for:			
Trade accounts and note payable(*1)	237,062	237,062	
Convertible bonds (*2)		180,786	(180,786)
Employee benefits (*3)		4,553	(4,553)
Share-based payments (*4)		304	(304)
Long-term payables (*5)		60,761	(60,761)
Equity-method investments (*6)	74,355	(19,190)	93,545
Development cost (*7)	63,301		63,301
Deferred tax asset (*8)	48,400		48,400
Total adjustment	423,118	464,276	(41,158)
K-IFRS	(Won) 18,355,364	8,735,793	9,619,571

(*1) Adjustment on trade accounts and notes receivable which do not qualify derecognition of financial assets

(*2) Designated convertible bonds as financial liability at fair value through profit or loss under K-IFRS

(*3) Assessment of employee benefits using actuarial assumptions under K-IFRS

(*4) Measurement of share-based payment using fair value under K-IFRS

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

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

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

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

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

Notes to the Condensed Interim Financial Statements

September 30, 2010

(Unaudited)

22. Explanation of Transition to K-IFRSs, Continued

- (v) The effects of the adoption of K-IFRSs on the Company's result of operations for the nine-month period ended September 30, 2009 are as follows:

(In millions of Won)

	Net income	Total comprehensive income
K-GAAP	(Won) 604,846	563,614
Adjustment for:		
Convertible bonds (*1)	(46,218)	(46,218)
Employee benefits (*2)	(675)	617
Share-based payments (*3)	(190)	(190)
Available for sale securities (*4)	(3,140)	
Derivatives (*5)	5,764	
Long-term payables (*6)	(4,100)	(4,100)
Equity method investments (*7)	67,681	93,545
Development cost (*8)	63,301	63,301
Deferred tax asset (*9)	(25,070)	(29,937)
Total adjustment	57,353	77,018
K-IFRS	(Won) 662,199	640,632

- (*1) Designation of convertible bonds as financial liability at fair value through profit or loss under K-IFRS
- (*2) Assessment of employee benefits using actuarial assumptions under K-IFRS
- (*3) Measurement of share-based payment using fair value under K-IFRS
- (*4) Gains/losses on foreign currency translation and interest income on convertible preferred stocks
- (*5) Derivatives previously accounted for as cash flow hedge were derecognized as held-for-trading derivative asset
- (*6) Difference in discount rate applied to present value calculation of long-term payables
- (*7) Investments in subsidiaries and associates previously treated under the equity method, which is recorded at the book value of January 1, 2009 under K-IFRS
- (*8) Capitalization of development costs meeting capitalization criteria under K-IFRS
- (*9) Deferred tax adjustments on differences in accounting balances under K-IFRS and current K-GAAP

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SIGNATURES

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

LG Display Co., Ltd.
(Registrant)

Date: November 24, 2010

By:

/s/ ANTHONY MOON
(Signature)

Name:

Anthony Moon

Title:

Vice President/IR Department